









# A clearer view now of Mexico's debt troubles

Stephen Fidler analyses a commitment by the US, the big neighbour, to solve a severe problem next door

The giant package of loan guarantees that Washington has agreed to provide for Mexico, so as to overcome a financial crisis, underlines the closeness of the economic relationship between the US and its southern neighbour.

But the financing package was only provided because the US Treasury perceives Mexico's economic situation as markedly different to the debt crisis of 1982, and believes that ultimately there will be no cost to US taxpayers.

US and Mexican officials have been at pains to point out that the crisis is a liquidity problem - a shortage of funds to pay debt that is to mature in a matter of months - rather than a fundamental inability to pay foreign obligations.

Yet, if something had not been done to stem the panic about liquidity, a more damaging financial crisis could have developed.

In the words of one senior US official, Mexico is "not a large problem, it's a severe problem." According to

another: "It was important at an early stage to shut down the problem."

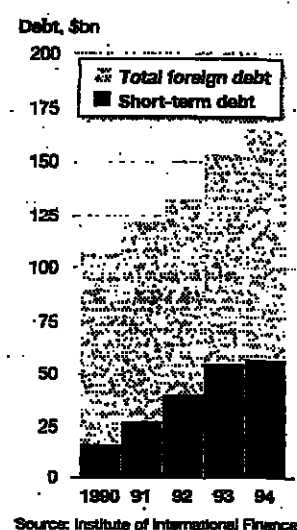
Yet, in 1982, when Mexico first declared its inability to meet its foreign debt obligations to international banks, the problem was commonly and mistakenly analysed then as a liquidity crisis. So, is the US analysis any better this time, or is good money being thrown after bad?

The idea behind the Washington plan is to provide the means, if necessary, to repay Mexico's short-term debt.

According to the Institute of International Finance, the Washington-based organisation established by international banks after the last debt crisis, Mexico had in September some \$57.6bn (£36.7bn) of public and private debt falling due within one year - about 35 per cent of its total debt burden.

This comprised \$6bn of public sector short-term debt, including trade credits and commercial paper, \$24.8bn of domestic government securities held by foreigners, \$8bn of bank certificates of deposits,

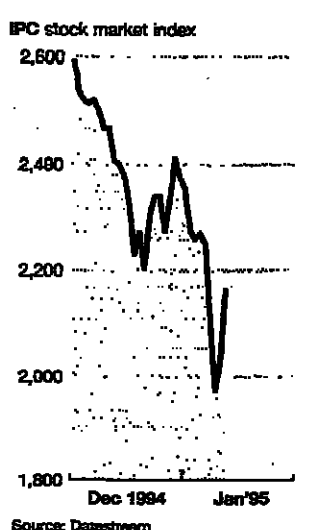
Mexico's debt: a short-term concern?



Source: Institute of International Finance

\$13bn of lines of credit to Mexican banks from banks outside the country, and \$6bn in foreign bank lending to the non-bank private sector in Mexico. The short-term component of the debt showed a rapid rise, in both absolute and relative

IPC stock market index

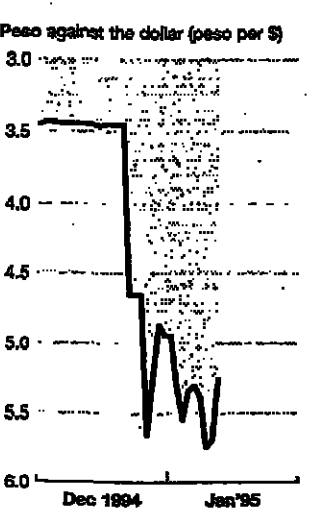


Source: Datastream

terms, after the end of 1990, when it had stood below \$20bn and accounted for only a sixth of the total.

Most of the increase occurred between 1991 and 1993. But, in 1994, another development occurred which

Peso against the dollar (peso per \$)



Source: Datastream

worsened the government's ability to cope with a devaluation. This was a shift, by investors holding short-term government debt, out of peso-denominated into dollar-denominated debt. It meant that foreign investors - who

were increasingly uncertain about the peso's parity against the dollar - moved out of Cetes (peso-denominated treasury bills) into tesobonos, which are dollar-linked. Outstanding tesobonos rose more than ten-fold from about \$1.8bn in February until the end of the year.

The transfer of devaluation risk from foreign investors to the Mexican government throughout 1994 cost the government dear.

Much of the concern that has arisen about the Mexican government's ability to pursue currency convertibility has surrounded the tesobono holdings. Debt issued domestically was also massaged out of the government's own debt statistics, which therefore looked healthier than was justified.

Most economists believe that the US readiness to stand by the Mexicans should be enough to address the liquidity problem, whether the Mexicans have to draw on the guarantees or not.

Would investors, nonetheless, be right to be concerned about the long-term debt picture? Despite widespread cancellation of bank debt since 1982, including the 1990 Brady deal, Mexico's overall foreign debt has doubled, in dollar terms, in the last 12 years.

Mexico's total public and private external debt - according to the IIF - stood last September at \$165bn, nearly twice the \$86bn at the end of 1982.

One measure of the government's debt burden - the ratio of total debt to gross domestic product - also has not improved much. This was 52.5 per cent in 1982, and peaked in 1986 at 82.3 per cent. In September 1994, the ratio was 47 per cent, but, with a 40 per cent devaluation since, this increases to 70 per cent.

Ms Ingrid Iversen, an emerging markets economist at Morgan Grenfell in London, says some of the other ratios look much better. The debt-to-exports ratio for 1994, of about 239 per cent, is still lower than for any year of the 1980s, and compares with 311 per cent in 1982.

Although 1995 should see some increase in interest costs, Ms Iversen calculates the ratio of interest payments to exports is also low by historical standards, at 14.4 per cent. In 1982, this ratio exceeded 40 per cent.

By most measures, therefore, Mexico's overall capacity to pay has risen substantially since 1982, thanks mainly to a big jump in exports.

Mexico's vulnerability to interest rate increases in the US will be less than in 1982, when most of the debt was at floating rates and tied to the dollar money markets. Now, a much greater proportion of the debt is tied in at fixed rates.

One important factor has also changed: transparency. When Mexico threatened default in 1982, nobody - borrower or lender - knew how much it owed. One reason why the financiers of 1982 underestimated the scale of Mexico's problem was because nobody knew how much it owed. The numbers were being revised upwards almost continually in 1982-86. Now, more information should mean an improved assessment of the true scale of the crisis.

## Republicans all sweetness and light on finance guarantee

### US seeks backing for package

By George Graham  
in Washington

Mr Robert Rubin, the new US Treasury secretary, and Mr Alan Greenspan, the chairman of the Federal Reserve, began a round of briefings in Congress yesterday, aimed at winning support for the financial package the US has put together to help Mexico out of its financial crisis.

A congressional taskforce was due to work on the details over the weekend, but agreement on the general principles of the package appeared assured after leaders of both parties had put their names to a statement, issued jointly with President Bill Clinton, promising to "do what is necessary to restore financial confidence in Mexico, without affecting the current budget at home."

The congressional leaders agreed that the US should extend its guarantee to help Mexico re-finance its short-term debt at favourable rates. Under US budget rules, money will have to be set aside to cover the estimated risk involved in this guarantee, but Mexico will pay the US a fee that offsets this leaving no net cost to the US taxpayer.

"The basic concept is a loan guarantee. It is not a grant. It is not foreign aid," a senior US official said.

The guarantee would ensure that Mexico would be able to re-finance its short-term tesobono treasury bills, when they fall due, through medium-term borrowings from commercial banks.

As additional security, mem-

bers of Congress said yesterday that they expected Mexico to pledge its oil revenues in exchange for the guarantee.

On the assumption that Mexico does not default, the US would end by making a profit from the operation, because it would pocket Mexico's fee, as it has done on a \$10bn (\$6.4bn) loan guarantee programme to help Israel resettle new immigrants.

**The basic concept is a loan guarantee so that Mexico can re-finance its short-term treasury bills when they fall due. It is not a grant. It is not foreign aid.**

The Israeli loan guarantee programme is the closest available parallel, but it differs from the Mexican package in significant respects. Although the Israeli government needed to finance a sharp influx of immigrants from the former Soviet Union, it faced no financial crisis of the sort confronting Mexico today.

Controversy over the Israeli guarantee revolved not around their cost, but around the policy issue of whether the US should help finance construction of settlements in the occupied territories of the West Bank and Gaza.

Israel's rating in the international bond markets is poor, but the threat of default was very remote, whereas Mexico's current financial status remains shaky. This makes it

likely that US budget officials will have to assign Mexico to a risk category that will require the country to pay a significantly larger fee than that paid by Israel.

Israel has not called on the full amount of guarantees available to it but the whole purpose of that guarantee was that it should be used. Even so, US officials say they do not even remotely expect the Mexi-

can guarantee to be drawn on in significant amounts; its very existence, it is hoped, will so reassure the markets that it will become unnecessary.

They argue that Mexico is solvent and capable of meeting its financial commitments, even though it faces a severe liquidity problem.

The White House announcement of the loan guarantee package contained no number, although Treasury officials said the estimate of \$40bn as an upper limit was "not out of the ballpark", and some financial analysts feared that this would be interpreted by the markets as a failure to reach agreement.

Senior US officials insist that, however, they deliberately chose not to announce a number, preferring to concen-

trate on the general principles of the deal, and that there was no disagreement on this point. Besides, Senator Robert Dole and Speaker Newt Gingrich put their names to the joint statement of Thursday evening; other senior Republicans also backed the deal.

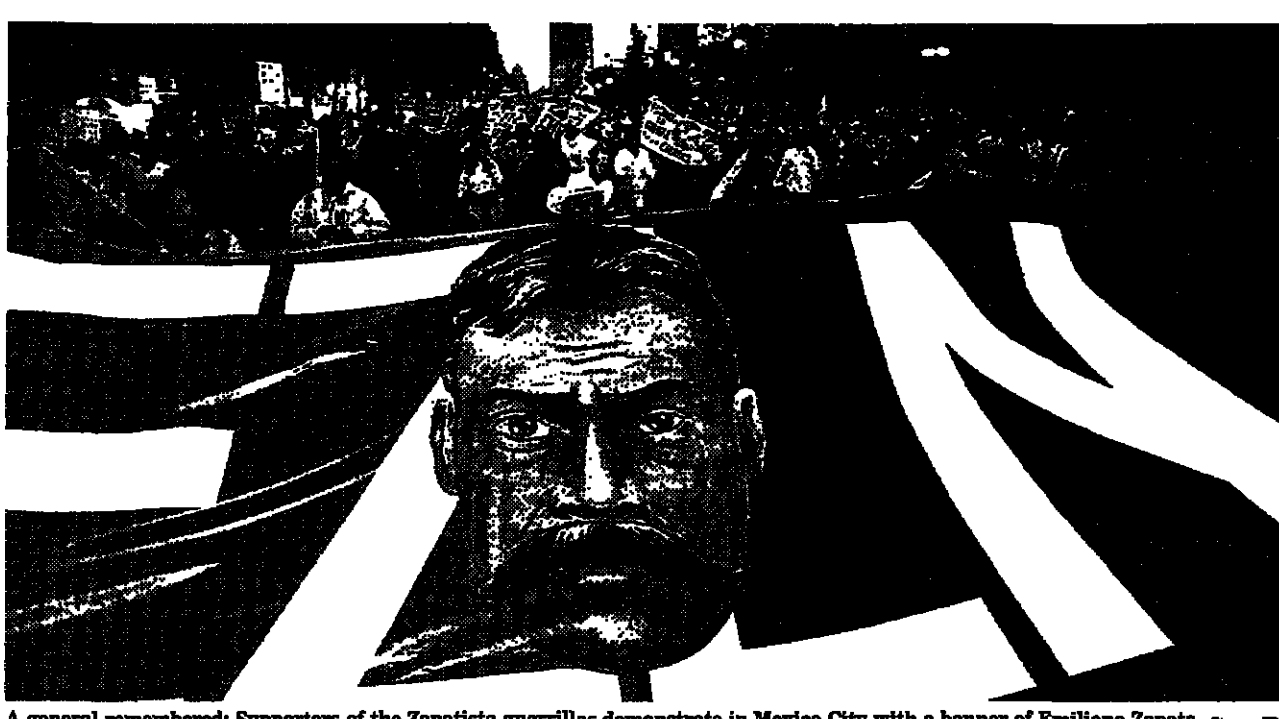
Some had feared that the new Republican party majority in Congress would use the Mexican crisis to set snares for Mr Clinton's Democratic administration, but the prevailing mood in Congress was "broad bipartisan recognition of the gravity of the issue," according to Mr Rubin.

"A default would reverberate to all economies," said Senator Alan Simpson of Wyoming.

Most leading Republicans appear ready to give Mr Clinton considerable leeway to lead on foreign policy issues - a line urged this week by Mr James Baker, who was secretary of state under Republican President George Bush.

The only vocal US opposition to the Mexican package is coming from left-wing Democrats, not the majority Republicans. Mr Henry Gonzalez, the Texan populist, who chaired the House of Representatives banking committee in the last Congress, renewed his questions about the credit line the US is offering to Mexico, while Mr Peter De Fazio and Ms Marcy Kaptir, two leading opponents of the North America Free Trade Agreement by the US, Canada and Mexico, called for the pact to be repealed.

Even Republicans, however, would be happier if other countries, especially Canada, would join the financial package.



A general remembered: Supporters of the Zapatista guerrillas demonstrate in Mexico City with a banner of Emiliano Zapata. Picture: EPA

## Protesters march in capital city

The Mexican government is trying to convince its restive population that increased financial assistance offered to the country by the US does not involve submitting to US economic might, and that a return to stability in the financial markets will allow the government to focus on domestic problems, writes Ted Bardacke in Mexico City.

Some 30,000 demonstrators - led by a leftist former presidential candidate, Mr Cuauhtémoc Cárdenas - marched through downtown Mexico City late on Thursday, calling on the government to protect the working class and opposing the privatisation of Pemex and CFE, the state-owned oil and electricity monopolies.

The government has expressly denied it has such plans. But some asked what Mexico had to offer under the table to the US, in exchange for financial backing.

"The amount is scary; the speed with

which Clinton promised to obtain it is surprising. So the question is: what are we offering in return?" wrote the economic commentator, Mr Enrique Quintana, in the daily newspaper Reforma.

"Could it be Pemex and CFE, the only two companies whose assets are big enough to back operations of this type?" he asked.

The rains have stalled the navel orange harvest in the San Joaquin Valley as growers wait for groves to dry. Orange prices have begun to increase at the retail level, reflecting the harvest interruptions. The foul weather in California, the leading US producer of fruits and vegetables, follows ruinous deluges in Florida and Texas, two other top suppliers.

Vineyards in the premium wine-producing regions, Napa and Sonoma valleys, are several feet deep in flood water. There has been extensive damage to trellises and irrigation systems, and some vines will have to be replanted, experts said.

Flooding, mudslides and sinkholes caused by the torrential rains have closed roads throughout the state. Power supplies and telephone service have also been disrupted in many areas. The state's \$20bn agriculture industry has been particularly damaged. The storms have drowned live stock, uprooted fruit and nut trees, and disrupted harvest and planting schedules, according to the California Farm Bureau.

Heavy rains have caused problems for the state's avocado, orange, strawberry and vegetable growers who are now harvesting crops, the bureau said.

Perhaps worst off have been growers of avocados in southern California, where

and used credit. Many of those goods are now very expensive and interest on credit cards has jumped above 40 per cent.

Government officials said that calm in the financial markets would let them spend more time and energy on the numerous domestic economic, political and social problems created or intensified by the currency devaluation last month.

President Ernesto Zedillo's office stated: "President Zedillo thanked President Clinton for the backing... which, by stabilising the financial markets, will facilitate the completion of the adjustment plan in our country."

The government has received good news from the southern state of Chiapas, where there is an armed peasant uprising. The Zapatista rebels said they were extending their ceasefire until January 18 and that meetings with federal government representatives were "imminent".

## Last two months of 1994 showed sign of slowdown

### US retail sales start to retreat

By Jurak Martin, US  
Editor, in Washington

US retail sales in the last two months of 1994 were nothing like as robust as those earlier in the year, which suggests that tighter monetary policy was beginning to slow down at least one important segment of the US economy.

The marked retreat, coinciding with what is normally a strong Christmas buying period, still meant that, for 1994 as a whole, retail sales advanced by 7.6 per cent - the strongest US annual performance since the 10 per cent increase of 1984.

However, in December, the Commerce Department's estimate of sales fell by 0.1 per cent, compared with the

November levels. This was well below market forecasts of a gain in the 0.5-0.7 per cent range.

Perhaps more striking was the downward revision for November, with a small 0.2 per cent rise replacing the original estimate of a 1.2 per cent increase.

The figures caused some analysts to wonder whether the Federal Reserve's open market committee would now move aggressively to increase short-term interest rates, at its next meeting at the end of this month.

Even so, Ms Susan Phillips, a Fed board member, cautioned yesterday against reading too much into the retail sales returns, which she called "surprising". She added: "We are

carrying over a fair bit of momentum from the fourth quarter."

There was also some criticism of the reliability of the official monthly data. The department conceded that the November revision was the result of late reporting from the retail sector, which prompted Mr Joe Liro, chief economist at SG Warburg Securities, to question "how quickly they get the retail sales report out."

Industry reports of strong sales of cars and light trucks appeared at variance with the department's calculation of a 0.4 per cent decline in the dollar value of sales by car dealers.

However, the overall decline in December was spread across

the board. Durable goods sales were down by 0.1 per cent, building materials 0.9 per cent, department stores 0.4 per cent and food 0.5 per cent. An exception was sales through restaurants, up 1.3 per cent.

The evidence of a slowing economy nevertheless encouraged both stock and bond markets in early trading yesterday. The Dow Jones Industrial Average, which has moved in an narrow range this week, was up by more than 17 points in the first 90 minutes.

US economic statistics for next week will include industrial production, the "beige book" by the regional Fed banks on local economic activity, and the University of Michigan's widely-watched consumer confidence index.

## IBM cuts cost of sending data

By Alan Cane

New York banks and brokerage houses, frightened of losing vital information through fire or flood, are the first customers for an IBM invention which promises to transmit up to 20 times as much data down communications lines as conventional systems.

The device, which works with fibre optic lines where information is transmitted as pulses of light, has significant implications for companies with large communications costs for private fibre optic networks.

The cost of running a single optical fibre in the US is about \$150 (£96) a mile per month. A customer needing 10 channels for information transmission over 10 miles in each direction would save \$942,000 a year in fibre costs using the device - MuxMaster - according to IBM.

It will be particularly appealing to companies renting "dark fibre" - naked fibre optic lines without data transmission equipment - from telecom operators.

Its secret is colour. Conventionally, information is sent down a fibre optic pipe as pulses of light of a single colour. IBM says that means that only two 10,000ths of the total carrying capability of the fibre is used. With MuxMaster, however, 20 different information streams are transmitted as 20 different colours of light.

Mr Rajiv Ramaswami, manager for optical systems at IBM's Thomas J Watson Research Centre in New York, said the principal technical difficulties were manufacturing laser systems capable of beaming 20 colours down the hair-like fibres and developing receivers able sort out the rainbow emerging from the far end.

IBM is not the first company to put a

transmission system using several colours of light on the market - Pirelli of Italy has developed a four colour system. Other telecoms labs throughout the world are experimenting with similar systems. But no other company has managed to incorporate as many as 20 colours at once.

MuxMaster is being tested in the field by Morgan Stanley and the Bank of Austria who are using it to help safeguard their trading data against accidental damage. Information collected on computers at their headquarters is sent over a continuous open fibre optic line to back-up computers elsewhere. The cost of the line without MuxMaster would be prohibitive.

IBM says the new technology will make it possible economically to connect multiple computing sites on a continuous basis and, for example, distribute video-on-demand without an increase in cost.

## California wet and uncovered

Louise Kehoe assesses the impact of heavy rains in the western US

Earthquakes, riots, fire storms and now floods. Since late-1988 natural and man-made disasters have cost California more than \$20bn (£13bn) in damages, officials said as they began to assess the toll from freak rain storms this week.

"We've conquered every challenge that man or Mother Nature could throw our way," Governor Pete Wilson said on Monday, in his State of the State address, citing the Loma Prieta earthquake in 1989, the Los Angeles riots in 1992, wild fires in 1993 and, 12 months ago almost to the day, the Los Angeles earthquake.

But the governor spoke too soon. A few hours later, floodwaters began to rise in the rivers of northern California, inundating hundreds of homes and businesses. A day later, the storms hit southern California, causing more destruction.

It is too early to estimate the total damage from the powerful storms this week, state officials said. A preliminary estimate of \$300m is likely to soar as homeowners, local governments and businesses report losses.

"We have 34 counties affected - many of them with substantial damage to public and private property," said the state Office of Emergency Services. "The counties most badly affected haven't been able to do complete assessments. They are still discovering the extent of their damage."

It is still raining. Another storm is forecast for northern California today. It is expected

to dump about two inches of rain on coastal areas and more inland. Residents of hard-hit Sonoma and Napa counties, to the north of San Francisco, were warned to expect more flooding and mudslides.

In dollar terms, the floods are unlikely to rank among the most costly of California's recent disasters. Yet they have caused more disruption than localised events. From the Oregon border in the north to the state's southlands, thousands of acres of land, hundreds of towns and communities, and millions of people have felt the effects of the storms.

Transport throughout the state has been seriously affected by damage to highways and railways, delaying and, in some cases, forcing the cancellation of a wide variety of food and merchandise shipments.

Flooding, mudslides and sinkholes caused by the torrential rains have closed roads throughout the state. Power supplies and telephone service have also been disrupted in many areas. The state's \$20bn agriculture industry has been particularly damaged. The storms have drowned live stock, uprooted fruit and nut trees, and disrupted harvest and planting schedules, according to the California Farm Bureau.

Heavy rains have caused problems for the state's avocado, orange, strawberry and vegetable growers who are now harvesting crops, the bureau said.

Perhaps worst off have been growers of avocados in southern California, where

high winds have knocked some of the fruit to the ground and kept harvesters out of the fields. Shipments have been reduced by about 75 per cent, according to growers.

The rains have stalled the navel orange harvest in the San Joaquin Valley as growers wait for groves to dry. Orange prices have begun to increase at the retail level, reflecting the harvest interruptions. The foul weather in California, the leading US producer of fruits and vegetables, follows ruinous deluges in Florida and Texas, two other top suppliers.

Vineyards in the premium wine-producing regions, Napa and Sonoma valleys, are several feet deep in flood water. There has been extensive damage to trellises and irrigation systems, and some vines will have to be replanted, experts said.

Flood insurance is sold privately, but backed by the federal government. It is required, under federal law, for all structures in designated floodplains, but insurance experts say compliance is low because there is no monitoring and because it is expensive. For insurers, therefore, the California floods are unlikely to produce large claims.

Because few California homeowners are covered, many will have to turn to FEMA for grants for temporary housing and loans for rebuilding or repairs.

President Bill Clinton has declared 24 California counties federal disaster areas, paving the way for low-interest loans. Governor Wilson is seeking the same designation for 10 more counties.



## NEWS: INTERNATIONAL

## China to invest £6bn on telecoms

By a correspondent in Beijing

China announced plans yesterday to invest Yn30bn (\$6bn) in telecommunications infrastructure this year in a spending spree expected to attract droves of foreign bidders.

The announcement comes only days before Chinese and American trade negotiators are due to resume talks to avert a trade war over copyright infringement. Both sides have threatened to impose sanctions which could harm US companies anxious to capture a significant share of China's nascent telecommunications sector. The talks will take place in Beijing next week.

In a report by the Xinhua news agency, Mr Wu Jichuan, minister of posts and telecommunications, said China will raise capital abroad for the projects and predicted that foreign funds will account for 10 per cent to 18 per cent of telecommunications fixed asset investment.

He indicated that the government will concentrate on constructing long-distance optical cables and speed development of digital microwave systems, satellite telecommunications and long-distance exchange systems.

The ministry plans to raise telephone switching capacity by 23 per cent to 75m lines and increase the number of trunk lines by 44 per cent to almost 1m lines. In 1994, the telephone network expanded by 44 per cent and trunk lines by 64 per cent.

Last year, the government pumped Yn63.3bn into telecommunications infrastructure, including optical cables, satellite ground stations and long-distance automatic switching capacity. That represented a 70 per cent increase from 1993 spending levels.

The US, a telecommunications powerhouse, has been trying to prise open China's telecom sector which until recently was monopolised by the posts and telecommunications ministry.

Daughter admits 90-year-old paramount Chinese leader has deteriorated over the last year

## Deng health fears hit stock markets

By a correspondent in Beijing

Stock markets in Hong Kong and Shanghai plunged yesterday on a wave of pessimism triggered by an interview with Deng Xiaoping's daughter in which she admitted that her father's health had failed significantly during the last year.

Ms Deng Rong, Mr Deng's daughter and biographer, admitted in an interview with the New York Times, that her father's health had failed significantly during the last year but denied a Japanese news report that the Chinese patriarch was in hospital.

The unusual admission of Mr Deng's frailty by a family member contradicted repeated official protestations that the leader remains in good health. It follows the publication on Thursday of a three-month-old picture of the leader in Liberation Daily, a Shanghai newspaper with close ties to the Deng family.

In an apparent attempt to quieten speculation that the leader hovers near death, the photograph, which appeared on the front page beside a headline reading "Comrade Xiaoping is Healthy," shows Mr Deng seated in the Zhong-

nanhai compound watching a fireworks extravaganza on the National Day, October 1 last year. It was the first picture of Mr Deng in more than a year.

The photograph failed to calm Hong Kong and China investors who have become increasingly jittery about the prospects of post-Deng China. Stock analysts said, in Hong Kong, the Hang Seng index fell 165.71 points to 7522.34, a decline of 2.22 per cent. Hard currency B shares on the Shanghai stock exchange fell to a one-year low on the Deng news. On intense overseas selling, the B share index,

which has been falling for four months, dropped 0.92 per cent to 55.77, a 1.82 per cent decline.

Publication of the photograph and Ms Deng's frank comments appeared intended to signal that Mr Deng will be unable to make his traditional Chinese New Year appearance and to discount that impact on financial markets ahead of time, western and Chinese analysts said. The news is also an attempt to cushion the country for Mr Deng's possible death in the not-to-distant future, analysts said.

For the past seven years, Mr Deng has travelled to Shanghai

during the Chinese New Year holiday for medical care and to escape Beijing's winter cold. His last public appearance, televised nationally from Shanghai almost a year ago, showed the leader to be frail, nearly deaf, hardly able to speak and reliant on support from his daughters in order to walk. Mr Deng's hands shook with a palsy reported to be Parkinson's disease.

In her interview, Deng Rong, who wrote her father's biography under the pen name Xiao Rong, said the 90-year-old Mr Deng can no longer stand or walk but refuses to sit in a

wheelchair for fear that "he won't be able to get up again." She is scheduled to leave next week to promote her biography in France and the US.

A senior western diplomat said that, despite the speculation about Mr Deng's imminent demise, there are no indications of an impending emergency. He said the tension among senior leaders that was evident before the death of Chairman Mao Zedong in 1976 is missing today as a transition leadership team under President Jiang Zemin is already in place.

## Algeria's FIS in peace offer

By Randa Khatib in London

Algerian opposition groups meeting in Rome, including the outlawed Islamic Salvation Front (FIS), issued a joint statement yesterday detailing proposals to put an end to the violence that has gripped the country since 1992.

The document, which urged negotiations with the army-backed transitional administration that would lead to democratic elections, warned of a "real risk of civil war" and said Algerians were living in a climate of unparalleled terror.

Sometimes written in deliberately confusing language, it commits the FIS to the "principle" of "rejecting violence to accede or maintain power," a demand the government has in the past attempted to wrest from the Islamist group.

However, this commitment would be adhered to in two distinct phases.

Before negotiations begin, the document says, the FIS will call for the cessation of "attacks against civil, foreign and economic targets." In return for the restoration of the party, banned in 1992 after the government cancelled elections, the FIS was poised to win. The government is also asked to release the two FIS leaders, Mr Abassi Madani and Mr Ali Benbadji, now under house arrest, and allow them to meet freely with any group "whose participation they deem necessary to the decision-making process." This would include extremist Islamist elements responsible for terrorist acts.

The opposition parties are also called for an independent commission to investigate acts of violence and violations of human rights.

In the unlikely event that the government agrees to these conditions and the FIS proves capable of controlling hideous acts by extremist groups, the FIS would then call for an "urgent and unequivocal" end to all confrontation while the government would close down concentration camps and lift the state of emergency.

The document says a national conference joining the government and all political parties would follow and lay the foundations for a transitional administration which would prepare the country for multi-party elections.

The Algerian government has vigorously condemned this week's gathering as foreign interference in Algerian affairs and stepped up its attacks on the participants in the local media. "As a matter of principle we will never accept any proposition that apparently comes from outside pressure," an Algerian official said this week.

However, Mr Alain Juppé, the French foreign minister, gave a guarded welcome to the meetings, this week saying: "We view with interest a number of initiatives taken in recent weeks... Only dialogue can enable (Algeria) to emerge from confrontation."

The eight participants in the Rome negotiations, conducted under the auspices of the Community of St. Egidio, a Catholic group, include, in addition to the FIS, the country's two other main parties: the National Liberation Front, Algeria's former ruling party, and the Socialist Forces Front.

The document was signed by Mr Anwar Haddam, senior FIS member in exile in Chicago, who attended the talks. The name of Mr Rabah Kabir, the FIS spokesman abroad, also appears on the document.

## Coalition in Japan hit by defections

By William Dawkins in Tokyo

Japan's ruling coalition was weakened yesterday, when 24 rebel members of the Social Democratic Party, second largest member of the alliance, confirmed plans to break away.

This will nearly halve the three-party coalition's majority in the lower house of parliament, from 35 to 18. Of the 24 defectors, 17 have lower chamber seats, with the rest coming from the upper house.

This will hasten a long-expected break-up of the SDP and increase the already strong likelihood of a general election this year. It is another stage in the realignment of Japan's fractured politics, thrown into confusion over the past 18 months by the weakening of the once dominant conservative Liberal Democratic Party.

Japan's main opposition group, the New Frontier Party, formed last month from the merger of nine small parties, has made no secret of its eagerness to work with the rebels, who have tentatively agreed.

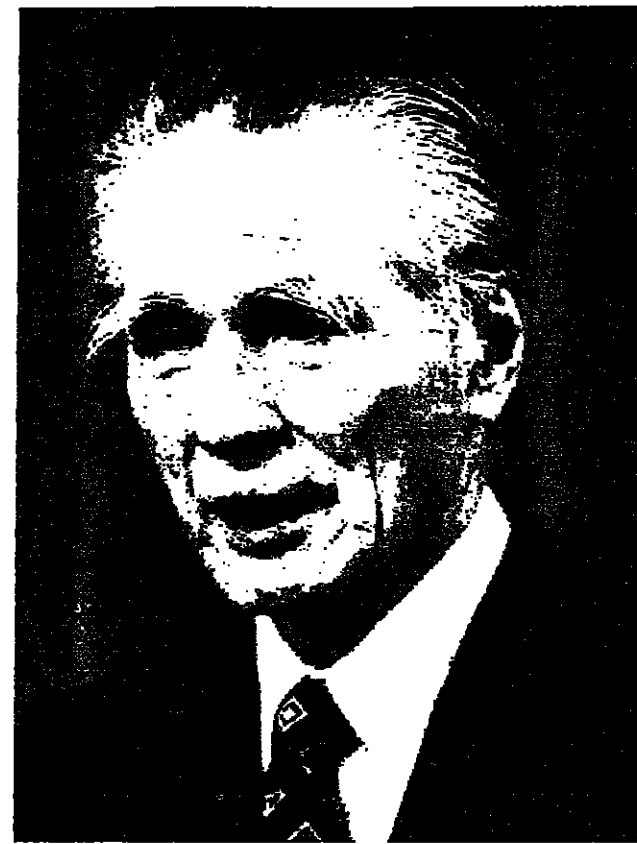
Mr Sadao Yamahana, leader of the rebel group, called the

New Democratic League, said he would register it next Tuesday as a parliamentary group, a preliminary to forming a full party next month. Mr Yamahana's supporters cited the NFP's formation, plus the onset of local elections in April, as factors in the timing of his breakaway.

In another blow to the SDP, one of its rising stars Ms Hideko Ito, yesterday announced that she would leave the party to run on April 9 for the governorship of the rural northern island of Hokkaido, a Socialist stronghold, with the backing of the LDP, the senior coalition partner.

Mr Tomiichi Murayama, prime minister and party chairman, yesterday returned from the US summit and rushed to a meeting with party leaders to discuss how to contain the damage.

The SDP leadership knows well it has lost much of its traditional support by dropping most of the party's policies to form a government last June with the LDP. Yet the SDP was hoping to contain freelance bids for power and



Murayama: damage limitation meeting

close ranks, to rebuild itself as a centre-left group.

LDP support for its SDP partners cannot be guaranteed in the run-up to elections, since it competes against the Socialists in many rural areas - such as Hokkaido. Mr Taro Aso, the LDP's number three, wrote in a magazine recently that the

SDP "would be of no value to us if the Yamahana group really goes on a separate path."

A power struggle within the SDP is another factor in the break-up. Mr Yamahana, on the party's right wing, is keen to rebuild influence after being forced to step down as party chairman in 1993.

## Bank launches controversial financial rescue

By Gerard Baker in Tokyo

The Bank of Japan yesterday formally launched a controversial lifeline operation to rescue two troubled financial institutions.

The rescue is the first of its kind and appears to contradict the Bank's policy of not bailing out financial institutions unless they pose a risk to the entire financial system. Many smaller banks and credit associations are close to failure after the collapse of property prices in recent years.

The emergency package will bail out two credit unions, Tokyo Kyowa and Anzen. The two companies have accumulated more than Y120bn in bad loans, most of which went to a now bankrupt property developer, EIE International, during the boom in the property market in the late 1980s.

The rescue by the Bank of Japan and a group of large commercial banks involves establishing a new financial vehicle, called Tokyo Kyodou Bank, with initial capital of Y21.4bn (£137m). The new bank is expected to begin operations

in late March, a month later than planned.

The founding members of Tokyo Kyodou Bank are the central bank, Sumitomo Bank, and the National Federation of Credit Co-operatives, the Shinkum Federation Bank.

The Bank of Japan is contributing Y20bn of the capital. Sumitomo Bank is investing Y50bn, and Shinkum, Y50bn. Other commercial banks will join the operation next month and are expected to provide the remainder of the Y40bn capital.

The two credit unions will be dissolved and their assets and business taken over by the new bank. But the Bank of Japan has warned that losses are so great that investors in the two institutions cannot expect to retrieve their money.

The announcement of the rescue last month surprised many in financial circles. Mr Ryutaro Hashimoto, minister for international trade and industry, articulated widespread popular resentment at the use of public funds to support failed banks, saying it was a dangerous precedent.

## Strike by unpaid miners threatens Kazakh economy

By John Thornhill in Moscow

More than 100,000 coalminers yesterday went on strike in northern Kazakhstan, threatening to destabilise the region's fragile economy and inflame ethnic relations.

The miners, who have not been paid for several months, said they would stay on strike until the government settled their pay claims. Mr Vyacheslav Sidorov, the regional strike leader, said the miners were owed 30n tenge (\$50m).

But Mr Vladimir Karmakov, the Kazakh coal minister, said the government would resist attempts at "economic blackmail."

Kazakhstan, which is heavily dependent on natural resources, is seen as an attractive region for foreign investment. In 1992 it accounted for more than a quarter of the Soviet Union's coal production with an output of 128.5m tonnes.

Output has since fallen sharply because of the economic upheaval in Kazakhstan. Industrial production has plummeted since the break-up of the Soviet Union and there



is now a double-digit monthly inflation rate.

The strike has hit all but two of the 23 pits near the northern town of Karaganda and the giant open-cast mine at Ekibastuz.

A long stoppage would disrupt energy supplies to the rest of Kazakhstan as well as to Russian industrial plants in the Urals and western Siberia, which are heavily dependent on the region's coal. Social instability could deter further investment.

The strike, during the criti-

cal winter months, could also cripple the economy in the northern part of Kazakhstan, where a large ethnic Russian population harbours ambitions to unite with the motherland. Mr Alexander Solzhenitsyn, the Russian writer, has long campaigned for the region to be returned to Russia.

Mr Nursultan Nazarbayev, the Kazakh president, has been sensitive to these claims and is proposing to move the country's capital from the southern city of Alma-Ata to Tselinograd in the north to help defuse Russian nationalist aspirations. Mr Nazarbayev is soon to visit Moscow to discuss the status of Russian citizens in Kazakhstan with the Russian president, Mr Boris Yeltsin.

Kazakhstan's trade unions have campaigned against the economic liberalisation measures of Mr Akezhan Kazhegeldin, the prime minister, and expressed support with the northern coalminers' strike. The unions have called for a one-day protest on January 20 to demand that wages be promptly paid and output stabilised.

## Indian government approves £2.5bn investment programme

By Shiraz Siddiqui in New Delhi

The Indian government has approved proposals for investment of Rs123.62bn (£2.5bn) in the power, petroleum, telecommunications and aviation sectors.

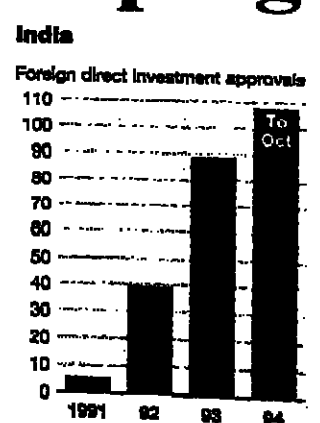
The projects, which include two oil refineries, a state-of-the-art telecommunications network and a radio paging network franchised to 15 joint venture companies envisage total foreign investment worth more than Rs6.5bn, bringing the figure of total foreign investment approvals since 1991 to more than Rs254.5bn.

The proposals were cleared by cabinet committees on economic affairs and foreign investment just before the arrival today of Mr Ronald Brown, US commerce secretary who is leading a business development delegation to three Indian cities. The approvals will benefit large US corpo-

rations including Soros Fund Management, US West, the telecommunications company, and India Offshore, a Texas-based petroleum company.

They include permission for Air India, the state-owned international airline, to purchase two Boeing 747-400s from Boeing of the US. An agreement for the purchase of the aircraft at a cost of Rs11.37bn, (with a foreign exchange component of Rs10.8bn) will be signed at the airline's headquarters in Bombay next week in the presence of the Brown delegation.

The government has also cleared a proposal from the Department of Telecommunications to grant operating licences to 15 joint venture companies for franchised operations of radio-paging services in 27 towns. The companies awarded licences include joint ventures between Motorola of the US and Arya Com-



recommendation that foreign equity in radio paging be restricted to 49 per cent. It was argued that a stake beyond 49 per cent would "jeopardise national security."

Soros Fund Management, through its fund, Quantum Industrial Partners, has been permitted to invest Rs4.95bn to set up a 5m-tonne petroleum refinery in Haldia, West Bengal. The total cost of the refinery is about Rs29.71bn, with Soros contributing 30 per cent of the equity component of Rs8.9bn. US West and its Indian joint venture partner, BPL India, have been allowed to build, own and operate an integrated broadband and fixed digital network using optic fibre and wireless technologies in the southern states of Karnataka and Tamil Nadu.

India has revised its trade marks law to bring it into line with international trade laws.

# BUY YOUR OWN GOLDMINE. £84.00.

As any investor knows, there's nothing more valuable than information.

That's what makes a subscription to INVESTORS CHRONICLE such a goldmine.

As Britain's leading investment magazine, we know how to provide you with exactly the information you need to make the right investment decisions.

We do this not just because we have unrivalled access to all the world's major databases; we do it because we have a skill in knowing the relevant from the irrelevant; and in presenting it in a clear and structured manner.

Every week we cover all aspects of stockmarket investment, beginning with a general overview and moving to in-depth coverage of market sectors.

We give you news sector by sector and stock by stock. We track a basket of your most popular shares, and subject the new and the fashionable to particular scrutiny.

We print a weekly roundup of leading brokers' views and tips, and invite the occasional column from the gurus. In short as an investor you'll be kept up to date with everything from the performance of your PEPs to the pitfalls of the Options market.

Not surprisingly, INVESTORS CHRONICLE is consulted and relied on by investment professionals. But though you'll value an investment opinion that is heavyweight - it's never, ever, a heavy road.

We'd like you to subscribe to INVESTORS CHRONICLE and see for yourself how its lucid coverage will help you make better investment decisions.

But because we know no-one can make a decision better than you can yourself, we're making a generous introductory offer of FOUR FREE ISSUES - so you can judge for yourself the value of Britain's leading investment magazine. And in addition, accept with our compliments a copy of the new edition of the *Beginners' Guide to Investment*, the investment guide which Lord Hanson "highly recommended... informative, comprehensive and readable..." and of which *Cosmopolitan* was moved to write "This book is packed with wisdom".

Please tick appropriate boxes. All prices include P&P.  
☐ Yes, please send me a trial subscription. I will receive my first four issues of *Investors Chronicle* FREE. Thereafter my first year's subscription of 51 issues at the normal rate.  
☐ Please also send me my FREE copy of the new, fully revised second edition of *Investors Chronicle* *Beginners' Guide to Investment*, normally retailing at £12.95. If at any time during my subscription I decide to cancel, I am covered by a Money Back Guarantee. Should I decide to cancel, I just write and tell you and you'll refund my subscription for all unexpired issues.

BLOCK CAPITALS PLEASE.  
☐ 0M UK inc. N. Ireland  
☐ 100M Europe or Ireland  
☐ £25M Rest of World (airmail)  
☐ Please invoice money company  
☐ Cheque enclosed payable to FT Business Enterprise Ltd  
☐ Please debit my credit card account  
☐ AMEN ☐ Diners ☐ Visa ☐ Access

Card number   
 Expiry date   
 Signature  Date   
 Mr/Ms/Ms Job Title   
 Nature of business   
 Present/Company address

Post to: INVESTORS CHRONICLE, FREEPOST 5507, Bromley BR2 9BA or simply telephone our subscription HOTLINE 081-482 8485 giving us your credit card details and quote reference number 048584

FT is a member of the Financial Times Group. Registered office: 1, The Boulevard, London EC1A 3BB. Registered No. 2048381. VAT Reg No. 212279721. The information contained in this magazine is for general information only. It is not intended to be used as a basis for investment decisions. The publisher is not responsible for any loss or damage to any property or for any other loss or damage arising from the use of the information contained in this magazine.

**INVESTORS CHRONICLE**  
 THE CITY INSIDE OUT



Algeria  
FIS in  
peace  
offer

## Insurer slams provision of legal aid to ex-agents

By Peter Marsh

Legal & General, the insurer, last night attacked the legal establishment for making it too easy for dismissed sales agents to defend themselves against claims estimated at about £20m from their former companies.

The criticism was labelled "extraordinary" by lawyers and former sales staff involved in about 500 legal disputes with the insurance industry, which is trying to claim large sums from dismissed agents.

The attack came after Legal & General won an important court case that may improve the chances of companies collecting the money.

Many of the disputes arise from companies and their former sales agents arguing over the precise terms of their relationship before the sackings.

In a typical dispute, an insurer tries to recover loans or commission paid to a former agent prior to the dismissal. As a counterattack, the agent argues he or she was unfairly sacked and, rather than owing money to the company, should be paid compensation.

Legal & General said it was surprised that large numbers of agents defending themselves against the claims had become eligible for legal aid.

The legal profession and the Legal Aid Board, which admin-

isters legal aid, should consider more carefully whether they should help "spurious" cases involving sacked agents, Legal & General said.

The company made its comments after it won a case in the Court of Appeal against Mr Nick Ferrari, an agent whom it sacked in 1991 and from whom it is trying to recover £189,810 arising from a loan.

Mr Ferrari's lawyers argued that the agent had a long-term relationship with Legal & General which had made the calling-in of the loan unfair. However Lord Justice Leggatt, giving judgment, ruled that Legal & General had made a "hard-headed business decision" which was not unfair.

Mr Ferrari, who faces bankruptcy, has been on legal aid estimated at about £40,000 with Legal & General's costs put at about £50,000.

Mr Alex Bevan of Bristol-based legal firm Bevan, who is involved with insurance disputes, called Legal & General's comments "absurd and cynical". He knew of at least one legal case involving Legal & General where the company had backed down considerably because of the arguments the former agent had been able to advance with the help of legal aid.

The Legal Aid Board said people were given aid only after careful examination of their cases.

## Mortgage rescue issue highlighted

By Alison Smith

Bradford & Bingley, the seventh-largest building society, yesterday stressed its commitment to mortgage rescue schemes and contrasted its attitude to those of other lenders.

As the society highlighted its 1,000th case of borrowers, who had stayed in their homes as tenants having become unable to stay as owners, Mr Geoff Lister, chief executive, said he was "disappointed" a similar scheme had not been more widely adopted by other building societies and banks.

The split could undermine lenders' campaigns against the government's planned cuts in mortgage interest payments to people claiming income support. Lenders have warned the cuts will increase repossessions.

Mr Lister said: "We think we are the only lender who fulfilled our original pledge in

December 1991." At that time the government agreed to pay mortgage interest payments for income support claimants direct to lenders, and lenders responded with measures to cut the levels of repossessions.

The timing of the open disagreement is particularly embarrassing for lenders. Mr Peter Lilley, social security secretary, is to meet the Council of Mortgage Lenders, which represents banks, societies and others, on Tuesday to discuss the new restrictions.

Some of the largest mortgage lenders - Halifax and Nationwide building societies and Abbey National - yesterday dismissed Bradford & Bingley's claim.

They said they had helped borrowers through schemes such as debt rescheduling, adding that homeowners generally did not want to become tenants.

## Citizen's Charter awards up for grabs

By Ivor Owen, Parliamentary Correspondent

Members of the public are to be invited to nominate doctors' surgeries, tax offices, police stations, refuse collectors and other public services for the government's Citizen's Charter awards.

The move follows the strong public response to the government's invitation to make nominations for honours.

Labour poured scorn on the invitation as another example of "back of the envelope poli-

cies that prove to be nothing more than embarrassing damp squibs and a waste of the taxpayer's money".

Mr Doug Henderson, an opposition charter spokesman, recalled that the telephone helpline Charterline had taken 25 calls a day at a cost of £66 each. It has now closed. Only five sets of traffic cones had been moved after thousands of calls to the "Cones Hotline".

Speaking in the Commons, Mr David Hunt, the cabinet minister with responsibility for the charter, said the initiative

was a move towards the "hand-over" of the Citizen's Charter to the people.

He urged members of the public to nominate public services they believed to be examples of excellence and to identify ways that improvements could be made.

New "chartermark" awards would be made for the best customer suggestion and the best staff suggestion to be implemented, he told a Commons debate on the charter, which is the government's flagship policy for raising stan-

dards in the public services. The competition will be launched in March and nominations can be made by letter or telephone.

Mr Hunt said there were plans for an expanded charter covering contributors to the national insurance scheme as well as a patient's charter.

Mr Hunt cited the decision to make the guidance provided for inland revenue offices available for inspection as an example of "empowering" public service users.

In contrast, Mr Michael Lord,

Conservative MP for Suffolk Central, condemned excessive salary increases for executives of the privatised public utilities. He said they had done "a great deal of damage to the services that these people purport to serve".

Mr Hugh Dykes, Conservative MP for Harrow East, said it was "absurd nonsense" for chief executives to justify paying themselves more by making international comparisons while the shopfloor was expected to depress its wages to become more competitive.

## Gilt issue signals policy switch

The Bank of England yesterday announced the first auction of very long-dated government bonds for almost two years, Graham Bowley writes.

The move was seen as a significant reversal of Bank funding policy. The Bank last year shunned the issuance of gilts of this length of maturity - over 18 years - as difficult bond market conditions caused high long-term interest rates.

"This signals a fundamental change in direction of policy in the way that it attacks the funding process," said Mr Kevin Adams, bond strategist at BZW. "They are making it clear that they are back funding using long-term instruments."

The Bank said the auction on January 25 would be of gilts with a maturity of between 18 and 22 years, which City analysts interpret as meaning a sale of £2bn of 20-year bonds.

Bond yields around the world rose last year after the US Federal Reserve tightened monetary policy, making it more expensive to borrow using long-term debt.

In the UK, long-term interest rates were close to 9 per cent. They have since fallen back to about 6.5 per cent as market conditions have improved.

The rise in rates threw doubt on the government's commitment to keeping inflation low and bond traders saw the Bank's avoidance of long-term debt as a desire not to give credence to this doubt.

However, the Bank was quick to deny that anything could be read into the announcement about interest rate policy and expectations about inflation.

## Stobart to open at Midlands terminal

Eddie Stobart, the Carlisle-based haulage group, is to operate a fleet of 250 trucks from the proposed rail freight terminal at Daventry, one of two rival schemes in the Midlands to exploit the freight possibilities of the Channel tunnel.

Stobart is the first haulage group to make a public commitment to either Daventry or Hams Hall, the alternative outside Birmingham.

Construction of the Daventry terminal is to start in April but Stobart will operate its dark green trucks from their regional base of future rail movements. Stobart has taken 10 acres from Tubcot Estates, the private company backed by Severn Trent Water which is behind the Daventry project.

## DTI 'gave Arrows clean bill of health'

Arrows, the collapsed trade finance company, was given a clean bill of health by Department of Trade and Industry inspectors in 1989, the Old Bailey heard yesterday.

Mr Muhammad Naviede, the former Arrows chairman facing fraud charges, said the DTI investigation left him "fully vindicated". Nevertheless, the Serious Fraud Office began investigating the company in 1990, he said.

It was impossible he would have embarked on a massive fraud while under investigation by the SFO, he said.

Mr Naviede denies eight charges, including obtaining cash and credit facilities from foreign banks and fraudulent trading between August 1990 and July 1991.

The prosecution claims he defrauded the banks by secretly investing borrowed money in unsecured property deals rather than fully insured trade finance transactions.

## Ford to raise prices by 2.1%

Ford, the leader in the new car market, is to raise its prices by an average of 2.1 per cent from next Wednesday.

It announced the increases yesterday after workers at its Dagenham plant, production centre for the Fiesta small hatchback, ended a week in which only van versions of the model were produced.

## Rolls-Royce Aero wins contracts

Rolls-Royce Aero Engine Services has won overhaul contracts worth a total of more than £150m, providing work for its Derby and East Kilbride plants for up to five years, the company said yesterday.

The contracts are from Air 2000 and Airtrons, the UK holiday charter airlines, Indianapolis-based American Trans Air, and China Eastern, the Shanghai-based regional carrier.

## Labour urged not to lose union link

By Robert Taylor, Employment Editor

Mr Larry Whitty, recently appointed Labour's European co-ordinator after 10 years as the party's general secretary, has warned against further weakening of Labour's trade union links as it bids for votes in "middle" England.

In an article in the GMB general union journal, he also says he is anxious the debate over Clause 4 of the party constitution does not become a "diversion from getting the Conservative government out of office. We should not be distracted from that."

But Mr Whitty praises Mr Tony Blair, the party leader, as "a fresh face who can galvanise an audience and has an amazing effect on people".

"With a bit of a crusade behind Tony we can win," he says. "But it will need some luck and good party organisation. It could still be close when the Tories do call an election."

Mr Whitty also reveals he almost resigned as general secretary after the 1993 party conference in protest at the introduction of one-member-one-vote in the selection of parliamentary candidates.

"I felt at odds with the leadership over the omov issue," he writes. "The GMB and some other important unions were seen to be outside the mainstream of party thinking and I felt that was wrong. But John Smith was able to keep the party united and I decided to stay."

Mr Whitty says he believes "there is some feeling that the union link within the party has been weakened since the vote in autumn 1993".

"There is some danger of problems between Tony Blair and some union leaders but I am sure he is aware of this and he will want to keep the party together as we approach a general election."

Mr Whitty says Labour could not have done without "the steady influence" of the unions in the 1980s. "There has been a tendency to say the link is old fashioned and out of date but I don't accept that," he says.

## Dutch promise to free veal calves

By Deborah Hargreaves

Animal exporters will be able to keep UK calves out of Dutch veal crates, it was announced yesterday.

Dutch meat industry chiefs said they would guarantee to send calves imported from the UK only to farms where they had room to forage.

Animal welfare groups campaigning for a ban on the export of veal calves to the Continent welcomed the move which was announced by the UK Meat and Livestock Commission.

Mr Douglas Hurd, foreign secretary, added his voice to the animal welfare debate when he said in Paris yesterday: "I would like to see stronger European legislation, not just on the question of the veal trade but on the whole question of animal welfare. I think this will come."

The Farmers' Union of Wales was forced to call off an air of 150 calves to the Continent from Swansea yesterday after demonstrators set in front of the wheels of a lorry transporting the animals to the airport. The airifts follow the ban on live animal exports by leading ferry companies which came into effect last autumn.

Mr Guy Parteger, a FUV spokesman, said: "It is now unlikely that there will be any calves taken from Swansea this weekend."

Mr Bill Goldsworthy, director of the Swansea farmers' union, said: "It's a very delicate situation. But we want to get conditions on veal harmonised in Europe. We're being victimised here because of practices that take place on the Continent."



Negotiator: Gower MP Gareth Wardall helps a protester out from under a lorry at Swansea yesterday

Plans by the environmental group Greenpeace for a week-end harbour blockade to prevent live animal exports were outlawed by the High Court yesterday.

The port authority at Shoreham, West Sussex, won an injunction against Greenpeace and its spokeswoman Ms Ann Moynihan banning them from the port after hearing about a planned protest to prevent a further shipment of live animals.

An animal welfare demonstration is planned for Monday at Brightlingsea, Essex, where another animal shipment is expected.

Veterinary and animal health officers, who are required to inspect animals during transit, were advised yesterday by their union not to travel on flights involved in the export of live calves because of safety risks.

Clamour over calves, Page 7

## Trade in gold coins could pick up

By Kenneth Gooding, Mining Correspondent

For the first time in nearly 13 years investors in Britain can legally buy gold coins without paying value added tax on the retail price. But they must be used coins, not new ones.

Trade in gold coins in the UK was virtually killed off in April 1982 when VAT was imposed on the retail price. But a change in European Union regulations, aimed mainly at simplifying the way antique and fine art dealers and other traders in second-

hand goods pay VAT, might revive the business. Dealers are now permitted to sell any second-hand item worth less than £500 without collecting VAT on the retail price.

If the item is made from a precious metal, it must also be sold at a price more than the market value of its metal content. Second-hand gold coins such as sovereigns and kruggerands fit this description.

Mr Nigel Tooley, director in charge of bullion operations at Spink & Son, the London-based fine art dealers, said: "The way is now open for small investors

in Britain to buy and hold gold at a reasonable price if they want to speculate."

"The gold market is not particularly brilliant at the moment but it will inevitably pick up one day, so this is a very exciting development."

The UK authorities imposed VAT on gold coins to stop fraud. In 1979, when exchange controls were removed, VAT was charged on gold bullion bars but not on those gold coins that were "legal tender".

Fraudsters made money by melting down gold coins, turning them into crude bars and claiming back VAT when the bars were sold.

Spink's Mr Tooley said the UK gold coin market could be revitalised because of the implementation of the EU directive. Dealers will still pay some VAT on used gold coins and other second-hand items but in future the tax will be based on the gap between their buying and selling prices, rather than the retail price.

Changes made in 1993 to the way traders account for VAT on gold bullion bars and coins should prevent a revival of the previous melting-down fraud.

claiming back VAT when the bars were sold.

Spink's Mr Tooley said the UK gold coin market could be revitalised because of the implementation of the EU directive. Dealers will still pay some VAT on used gold coins and other second-hand items but in future the tax will be based on the gap between their buying and selling prices, rather than the retail price.

Changes made in 1993 to the way traders account for VAT on gold bullion bars and coins should prevent a revival of the previous melting-down fraud.

## Sharp fall in life companies' confidence

By Alison Smith

Life insurers and building societies are significantly less confident than they were three months ago, in contrast to the financial services sector in general which is more optimistic, according to a survey published yesterday.

A Confederation of British Industry and Coopers & Lybrand poll showed that confidence across the sector had strengthened for the ninth quarter in a row, although the pace at which optimism was rising had slowed. It also found companies planning to cut jobs over the next three months to improve efficiency.

Business was expected to rise over the coming quarter although expectations were lower than in the first half of last year. Overall the level of business over the past three months remained lower than normal, with life insurers, insurance brokers and securities traders reporting the most noticeable falls in activity.

Finance houses, banks and venture capitalists reported the highest rises in confidence.

Mr John Hayes of Coopers' financial services consultancy said the survey highlighted the diverging prospects for different elements of the sector.

The survey covers 260 organisations, including banks, finance houses, building societies, venture capitalists, stockbrokers and insurers.

## Blueprint for all-party talks on Ulster 'is close'

By John Murray Brown in Dublin and Kevin Brown

A framework document paving the way for the start of all-party constitutional talks in Northern Ireland could be completed by the end of the month, Mr John Bruton, the Irish prime minister, said yesterday.

The document, held up by the change of government in Ireland, will be at the top of the agenda when Sir Patrick Mayhew, Northern Ireland secretary, meets Mr Dick Spring, Irish deputy premier, in London next week.

Mr Bruton, whose Fine Gael-led coalition took office a month ago after the fall of the previous Fianna Fail-led government, is keen for rapid progress on the document to make up for the delays caused by the Irish political crisis. "I expect it will be ready by the end of the month," he said, before attending a Dublin session of the Irish National Forum for Peace and Reconciliation - which includes delegates of Sinn Féin, the political arm of the IRA.

The meeting, announced yesterday, follows a further lessening of tension in Northern Ireland, reflected in the decision to end daytime patrols by British troops in Belfast.

Sir Patrick challenged Sinn Féin to show its goodwill by addressing the issue of heavy weaponry and Semtex explosives at a meeting with British officials on Monday.

Mr Bruton - in office just a month - said he did not believe that the issue of decommissioning terrorist arsenals in Ulster would block the peace process. Dublin is concerned to ensure that the talks do not get bogged down on the arms issue. Mr Ber-

tie Ahern, leader of the Fianna Fail opposition, urged the UK to adopt a flexible line.

Irish officials said that if sufficient progress was made between Mr Spring and Sir Patrick, a date might be announced for a summit between Mr Bruton and Mr John Major at which the framework document would be published. They said the document was designed to provide a "shared understanding of the elements of a settlement likely to win widespread acceptance by both traditions in the province".

The agreement is likely to balance Irish moves to abandon its constitutional claim to the province with British initiatives to create all-Ireland institutions in areas such as investment and transport.

Mr Spring said it was "important now that we keep up the momentum. People want to see progress". Officials in London said the framework document was at least 90 per cent complete, with hopes high that agreement on the remaining choices between alternative texts can be reached quickly.

## Improvement in trade deficit may be levelling out

By Gillian Tett, Economics Staff

One of the recent indications that the recent dramatic improvement in Britain's trade deficit might be levelling out emerged yesterday.

The Central Statistical Office said the deficit on UK visible trade with the whole world had risen to £544m in October, from £549m in September.

One reason for the rise was a drop in oil exports, which fell to £574m in October. This compared with oil exports of £721m in September, and was well below the levels of earlier in the summer.

The other reason for the rise in the deficit was import growth. The value of imports

was £12.3bn in October, up 1 per cent on September.

Economists yesterday noted that the slight deterioration in the deficit was occurring from a relatively strong base, with the overall trade position remaining stronger than anything seen in recent years.

Exports continued to perform relatively well, rising fractionally on the month. The volume of exports (excluding oil and erratics) in the three months to October - the best guide to the underlying trend - was 3 per cent higher than the previous three months, and 9.5 per cent higher than the same period a year ago.

Mr Richard Needham, trade minister, welcomed the figures as evidence of British success.

TRADE WITH COUNTRIES INSIDE AND OUTSIDE THE EU											
Balance of payments basis (£m seasonally adjusted)											
	Exports			Imports			Visible balance			Invisible balance	Current balance
	European Union	Countries outside the EU	Whole world	European Union	Countries outside the EU	Whole world	European Union	Countries outside the EU	Whole world		
1993	63,945	57,469	121,414	67,899	66,724	134,623	-3,954	-9,255	-13,209	2,029	-11,180
1994											
Q1	16,826	15,323	31,949	17,502	17,430	34,932	-876	-2,107	-2,983	1,521	-1,462
Q2	17,505	15,665	33,170	18,428	17,168	35,595	-924	-1,501	-2,425	1,318	-1,107
Q3	18,580	16,210	34,798	19,135	17,207	36,342	-555	-987	-1,552	2,367	815
April	5,882	5,250	11,132	6,041	5,701	11,742	-159	-451	-610		
May	5,736	5,126	10,862	6,129	5,789	11,897	-403	-442	-1,035		
June	5,887	5,289	11,176	6,259	5,897	12,156	-372	-408	-780		
July	6,007	5,445	11,452	6,168	5,803	11,971	-161	-358	-519		
Aug	6,270	5,412	11,682	6,448	5,718	12,166	-178	-306	-484		
Sept	6,303	5,353	11,656	6,519	5,666	12,205	-216	-333	-546		
Oct	6,351	5,319	11,670	6,575	5,739	12,314	-224	-420	-644		
Nov		5,634			5,995			-361			

Source: CBO

He said: "This has got the new year off to an excellent start and I am confident that the upward trend in exports will continue."

Nevertheless, the small rise in imports was yesterday seen by some economists as the start of a significant trend. In recent months imports have remained flat, puzzling City economists who had predicted

that rising demand would suck in more imported goods.

Ms Helen MacFarlane, UK economist at Hoare Govett, said: "Imports are showing further signs of returning to normal after their peculiar falls during the summer months."

She said the deficit was likely to deteriorate further this year as growth pulled in more imports and that net

trade was unlikely to drive gross domestic product growth as it did last year.

Broken down on a sectoral basis, the data showed that the main growth in import volumes in October occurred in basic materials and finished manufactures, and in purchases from France and West European countries outside the European Union.

Most of the growth in export volumes came from sales of finished manufactures. Oil exporting countries were a particular area of export growth.

Both export and import prices fell by 1 per cent in the three months to October compared with the previous three months, indicating that global inflationary pressures remain relatively low.



## FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Saturday January 14 1995

## News from the markets

Bouts of instability are as characteristic of financial markets as are rain showers of the English weather. Unpredictable in particular, but certain in general, they are one of those nuisances that investors have to accept. But the nuisance must be kept in proportion. A shower, however brisk, is no hurricane.

It is in fact both rare and unnecessary, given appropriate management, for instability in financial markets to cause major disruptions in the global economy. More often, instability brings unsustainable positions into sharp relief, which is all to the good. It certainly is in this case, since countries like Mexico, Italy and Sweden probably need the shocks they have, in different ways, been suffering.

What lies behind the fall of the Mexican peso or the Italian lira? The answer is, above all, the tightening of US monetary policy, which has increased the desire to hold funds in safe short-term dollar assets. This is magnified by a general flight to quality, as prospects for speculative gains on riskier assets disappear. This is the classic condition for liquidity crises in markets for less than prime short-term financial paper, such as Mexican *tesobonos*.

Such crises are necessarily selective. How significant they turn out to be depends on the number and importance of affected markets. Even the debt crisis of 1982 – however devastating to many countries, notably in Latin America, for which it heralded a “lost decade” – had no evident ill-effect on the world economy. Industrial countries enjoyed a long period of sustained growth, while east Asian developing countries, including China, managed extraordinarily rapid rates of economic advance.

This recent bout of instability is also likely to be selective, probably far more so. Even within Latin America the movement of stock markets has been far from uniform. Between December 19 – just before the first Mexican devaluation – and Thursday, the US dollar index of Mexican stock prices compiled by Barrings fell 42 per cent. Over the same period, Argentina's fell 20 per cent and dynamic Chile's 9 per cent. As for those of emerging markets in Asia, they fell by a mere 5 per cent.

## Limited damage

The debt problem of the 1980s was a region-wide crisis. This one is more likely to damage Mexico alone. One reason for this is that Mexico's cumulative current account deficit of \$91.6bn between 1991 and 1994 was 72 per cent of the total deficit of the seven largest Latin American economies. In

the early 1990s, by contrast, Mexico was responsible for only a third of the Latin American deficit.

Other reasons can be advanced for the view that this need not be a rerun of the debt crisis, even in Mexico. Policy in most developing countries is greatly improved, while the economies themselves are more efficient and more outward-looking. In Mexico, the fiscal position has improved from a deficit of 17 per cent of GDP in 1982 to one of only 0.7 per cent in 1993. Capital flows have also mainly gone to the private sector, as was true for Chile in the early 1980s, the country in Latin America that then recovered fastest. Much of this capital flow has taken the form of direct investment and equity flows. Excluding Mexico, direct investment financed more than four-fifths of the cumulative current account deficits of the major Latin American countries between 1991 and 1994.

## Turning point

Conceivably, the main adverse consequences of this instability on developing countries can be confined to Mexico. The massive support package now being discussed by the US authorities, \$30bn over and above the international financing of \$18bn already assembled, must make that more likely. This crisis could even be seen, in retrospect, as Mexico's turning point, the time when an overvalued currency was abandoned, just as the ERM crises of 1992-93 are now judged to have benefited the European economy.

One lesson is for investors in emerging markets. The risks are indeed large. But so may be the gains. Between 1988 and 1994, for example, UK investors would have enjoyed a ninefold real increase in the value (in UK purchasing power) of an investment in the Japanese stock market index, notwithstanding the ups and downs along the way.

Another lesson is both more general and more immediate. Countries with chronic current account deficits, low rates of national savings and weak fiscal positions, be they ostensibly developed or still thought of as developing, are now vulnerable. Indeed the long-recognised distinction between developed and developing may have to be replaced by one between soundly managed economies and the other sort.

The Mexican crisis may, in the end, have ramifications for debt-ridden Sweden or Italy, rather than for Argentina or Brazil. That is still to be seen. Yet already people in countries like the UK can see how fortunate they are to be reasonably well sheltered against the adverse weather.

**M**r Maurice Saatchi, who this week announced his intention of setting up in competition with Saatchi & Saatchi, the advertising group he founded with his brother Charles in 1970, undeniably falls into the larger-than-life category. His ability to persuade, inspire, coax and cajole is legendary, which no doubt helps explain the readiness of senior executives of his old agency to jump ship, abandon contracts and join him, following his departure in a boardroom coup before Christmas.

If the fortunes of his old company have waned, Mr Saatchi can still call on big support in the political and business establishment in his campaign against his detractors. Much of the press is still in his thrall. The only small items in this outsize entertaining boardroom saga are the profits of Saatchi & Saatchi – £19m in the last reported full year against a loss of £255m the year before – and its stock market value, which stood at a mere £308m at the start of the week and less than £218m last night.

It is thus tempting to dismiss the whole thing as a small storm in a candyfloss industry. Yet the temptation should be resisted because, despite the wiles of Mr Saatchi's media friends who portray the row as one of creative folk versus bean-counters, there is a great deal more to it than that. All the hallmarks of a classic failure of UK-style corporate governance are there: wild over-expansion, huge rewards for failure, non-executive directors having difficulty restraining a mercurial founding entrepreneur, and a supine response from most UK institutional shareholders.

The novel twist lies in the activism of a group of US shareholders, led by Mr David Herro of Chicago-based Harris Associates. Since 1992 Harris has built up a stake of 5.8 per cent. Other concerned US shareholders include the State of Wisconsin Investment Board, the pension fund of General Electric and Tiger Fund Management.

Mr Herro's worries sprang initially from an outbreak of hostilities between chairman Maurice Saatchi and Mr Charles Scott, who arrived with Mr Robert Louis-Dreyfus in 1990 to rescue the company from imminent bankruptcy. Mr Scott subsequently succeeded Mr Louis-Dreyfus as chief executive. In March last year the hostile US shareholders wrote to the board threatening to vote against the re-election of Mr Saatchi at the agm if he was not removed.

A posse of directors promptly visited the US to tell the shareholders that Mr Saatchi could not be dumped without serious damage to the company. Unlike most UK fund managers, Mr Herro also took an interest in operating issues at the company. He had concluded that continuing with the Saatchi name for the holding company, synonymous with the high tide of Thatcherism, was not only past its shelf-life; it was a source of friction with executives in subsidiary companies such as the New York-based Bates network. So he urged the board to consider dumping the Saatchi name, if not its chairman. The board responded by asking a consultant to adjudicate.

The event that finally brought matters to a head last autumn was the unveiling of a new performance-related share option scheme, which promised to deliver £5m to Mr Saatchi if the share price doubled in three years. This entitlement was based not on his recently renegotiated annual pay of £200,000 on a

The Saatchi affair represents more than just a clash between creative folk and bean counters, says John Plender

## Saatchi doesn't work



Clockwise from right: Maurice Saatchi; Charles Scott, chief executive; David Herro; and Alastair Ross Goobey

fixed three-year contract, but the £625,000 a year he had enjoyed under an earlier five-year rolling contract. It was also a multiple of 25 times Mr Saatchi's new salary compared with a multiple of four times for others in the scheme.

This was too much for the M&G unit trust group, which had supported Mr Saatchi's re-election at the last annual general meeting, having earlier expressed reservations to the board about the sniping between the chairman and chief executive. As Mr Richard Hughes, manager of M&G's recovery fund puts it, £5m was the most generous payout of its kind that he was aware of in the UK; and it was going to a person who had been the most unsuccessful chairman of any company in which M&G invested. He concluded that Mr Saatchi had outstayed his welcome.

M&G, at least, had bought the shares only after Saatchi & Saatchi ran into difficulty. Others who had been on board since the company's heyday were doubly incensed that the option package came at the first hint of good profits news from long-troubled company. As one fund manager puts it, if Mr Saatchi had met his performance targets “we would only have lost 90 per cent of our money instead of 95 per cent – it was a red rag to a bull”. Or, in the words of another, who made a comparison with the incentive pack-

age granted to the chief executive of British Gas, “in terms of shareholder value, this makes Cedric Brown look like a corporate giant.”

Mr Herro, meantime, was not only concerned that the share option package was unbalanced. He had learned that the outside consultant hired by the board shared his view that the Saatchi name was no longer an asset, but had been persuaded by Mr Saatchi not to reveal this to the board. He also saw Maurice's hand behind an outside approach to acquire the Bates subsidiary after the board had decided that it should be retained. In consequence, he and the other US shareholders asked for the options to be scaled back, the parent company name to be changed and Maurice to be relegated to the chairmanship of a subsidiary.

The Saatchi directors responded by asking Mr Scott to sound out a handful of key executives on the impact of a name change. Six out of seven thought the name a handicap, says Mr Scott, while the seventh did not care one way or another. Two important clients, Mars and British Airways, nonetheless warned that their loyalty would be in question if Mr Saatchi went.

In the end Mr Saatchi was forced to agree to a less generous option package. And in a meeting before Christmas his boardroom colleagues told him he could either remain as

chairman of the Saatchi & Saatchi Advertising Worldwide subsidiary, while vacating the board of a parent company that would shortly change its name; or he could take his comp.

As eponymous entrepreneurs go, he went.

Open war has now been declared on the legal front, as a result of subsequent defections to join Mr Saatchi's proposed new venture.

The central issue for shareholders has always been whether the company was more valuable with or without Mr Saatchi. When it came to the crunch, only Mr Alastair Ross Goobey of Postel, which manages the pension funds of British Telecom and the Post Office, publicly supported him; and he did so only on the basis of the excessively generous options being dropped and Mr Saatchi having agreed to consider the name change.

Mr Herro is concerned at the fall in the share price this week from 140p to 99p, but remains convinced that Mr Saatchi's departure will make the company more valuable in the longer run. With hindsight, he believes that the chairman should have been ejected just as soon as it became clear that he was doing battle with Mr Scott. Yet for institutional shareholders to seek to impose that solution against the wishes of the non-executive directors would clearly have been controversial, at least by British stan-

dards. The obvious time for the institutions to impose an independent chairman on Saatchi & Saatchi would have been when they subscribed to the rights issues to rescue the company.

The least comprehensible part of the story concerns the readiness of the non-executives on the remuneration committee, led by Sir Peter Walters, chairman of SmithKline Beecham and formerly of British Petroleum, to sanction such an astonishingly generous option scheme for the man chiefly identified with the earlier 98 per cent collapse in the share price – a scheme, moreover, which breached the Association of British Insurers' guidelines.

**Y**et that may exemplify the dilemma of mainstream businessmen who become non-executive directors of companies with entrepreneurial chairman. Mr Saatchi felt predictably strongly about his remuneration package. He was also persuasive. Yet a crucial role of the non-executive is precisely to provide an adequate check and balance in such a boardroom. That is the thrust of much of the Cadbury Committee's output on corporate governance.

As for the suggestion from Lord King, former chairman of British Airways, that institutional shareholders hijacked the corporate governance process at Saatchi & Saatchi in an undemocratic way, most successful examples of institutional intervention in the UK have been neither democratic nor public. That is the nature of an institutionalised market. The company advisers, S.G. Warburg, anyway believed on the basis of a straw poll that there was a majority in favour of Mr Saatchi's departure.

Yet some in the City have reservations about such polls. Mr Paul Myers of the Gartmore fund management group (which holds no shares in Saatchi) argues that these are too often rough and ready exercises. His point is supported in the present case by Mr Ross Goobey of Postel, who says that Warburg did not sound him out at all. He argues that it would have been better if there had been a vote on the issues at an extraordinary general meeting. Any prolongation of uncertainty before the vote could hardly have done more damage to the share price than what eventually happened, he adds.

An equally telling point from Gartmore's Mr Myers is that the institutions could have done more to restrain the Saatchi brothers when they went on the acquisition trail in the first place. Too few have been prepared to exercise the rights and responsibilities of ownership in relation to big strategic moves involving acquisitions.

US shareholders are clearly more more interventionist by instinct and have statutory obligations to exercise their voting rights. They do not necessarily share the mainstream UK institutional view that their main duty is confined to putting in place an effective board and ensuring that the interests of shareholder and managers are as closely aligned as possible.

Mr Herro and his fellow US shareholders cannot have fully anticipated what they were taking on with Mr Saatchi. Yet the damage this week – a handful of executives lost exclusively in the UK – was as nothing compared with what happened at Saatchi & Saatchi in the 1980s. To judge the outcome on the basis of one week's share price movement would be short-termism writ large.

## MAN IN THE NEWS: Tony Blair

## A barrister with attitude

**T**ony Blair's detractors call him Bambi, after Walt Disney's cartoon fawn, in scornful tribute to his youthful looks. But Blair, the British Labour leader, showed his fangs this week as he stamped out a revolt by leftwing MPs.

In a sub-thumping display at a private meeting in Brussels, Blair delivered a ferocious tongue-lashing to his party's 62 MEPs, accusing leftwingers among them of gross discourtesy and “infantile incompetence”.

His anger was prompted by an advertisement on the front page of a UK national newspaper opposing his plans to drop Labour's commitment to “common ownership of the means of production, distribution and exchange”.

The phrase, part of Clause 4 of the party constitution, has appeared on all Labour membership cards since it was drafted in 1918 by the Fabian reformers, Sidney and Beatrice Webb. For many activists, it remains an article of faith.

Those who saw Blair's outburst said it was impressive. He was irritated by the timing and content of the advertisement, which coincided with a keynote speech on Europe to a business audience.

But all is not as it seems. For Blair and the handful of close allies who run the Labour party share a guilty secret on Clause 4, they are picking a fight they cannot lose, on ground they already control.

The leftwingers leading the opposition to Blair – mostly members of the hard left Campaign group of Labour MPs and MEPs – are political pygmies, left stranded by the ebb tide of Labour's commitment to socialism.

Lots of moderate members also think Blair was unwise to raise the

Clause 4 issue. But they will keep quiet because they will accept almost anything to avoid undermining the party's rising hopes of winning the next election.

In case anything goes wrong, Blair's allies on the party's ruling national executive committee have rigged the April 29 special party conference that will decide the issue. Members will vote on a single proposition, drawn up by the NEC. Amendments will not be allowed.

That will present the trade unions, which command 70 per cent of conference votes, with the unpalatable choice of backing Blair or humiliating him. Even hardline leftwingers admit privately there is no doubt which way the unions will jump.

But if Blair already knows that he will get the new Clause 4 he wants, replacing the commitment to common ownership with backing for a dynamic market economy, what was the point of the extraordinary scenes in Brussels?

The answer is that the left's show of defiance fitted neatly into the sophisticated marketing campaign that propelled Blair to the party leadership last summer, and has sustained him since.

Blair was annoyed by the advertisement, which overshadowed the most pro-European speech ever delivered by a Labour leader. But the battering he handed out was a sham, to reinforce his image as a tough, no-nonsense leader.

The tough image matters for two reasons: Labour leaders have historically been vulnerable to Conservative claims that they are hostages to the left. Most have felt the need to show they are in control. Blair has to live up to that.

But Blair also has a more immediate motivation: he wants to present



a sharp contrast with John Major, the prime minister, who is widely regarded as weak and is plainly unable to control the rightwing rebels in the Conservative party.

The marketing is calculated, but not just public relations froth. Blair really is tough, perhaps the toughest Labour leader since the famously brusque Clement Attlee, prime minister from 1945 to 1951.

It took courage to launch the Clause 4 debate, and then to ride out the hostile reaction at Labour's annual conference. But Blair is also repositioning Labour on other important issues thought to have damaged the party in the past.

He has made clear that Labour is no longer wedded to the idea that public services can be improved simply by raising taxes. He is moving towards ruling out nationalisation of railways and public utilities. And aiming benefits at the most needy is replacing universal payments as party orthodoxy.

Blair has also moved Labour

away from hostility to independent and parent-run schools towards a greater stress on standards. He rebuked his education spokesman in the process for suggesting that Labour might impose value added tax on private school fees.

In case the party had failed to get the message, he followed the Brussels meeting with a peremptory order to shadow ministers to clear future policy commitments with him or Gordon Brown, shadow chancellor and a close political ally.

Blair is able to act like this in part because Labour is desperate for office, but mostly because he carries little of the ideological and historical baggage that burdens the older generation of Labour leaders.

A middle-class barrister, he has never bothered to steep himself in Labour's history of class politics, which he derides as the stuff of Old Labour. He is convinced that Labour risks losing again unless it accepts fundamental change.

The pace of Blair's campaign is driven by the conviction that change is most easily achieved in the early years of a party leader's term, before disillusion sets in and factions have a chance to regroup.

For him, the leadership is a one-shot campaign. If he loses, friends say, he will step aside. He calculates that if he wins, his dictatorial style will be lauded; if he loses, it will be forgotten.

Blair's tough approach has plenty of admirers. Neil Kinnock, leader from 1983 to 1992, applauds the pace at which he is moving, and regrets that he failed to achieve a similar rate of change.

Blair knows that toughness is not everything. Kinnock took on and defeated the Trotskyite Militant tendency in the mid-1980s in one of the toughest battles the party has seen. He went on to lose two elections.

Harold (now Lord) Wilson, leader from 1964 to 1976, was a weak prime minister who kept order by pitting one party faction against another. He won three out of four elections.

Kevin Brown

## FINANCIAL TIMES

## FT EXPORTER



## FT EXPORTER: Winter Issue - January 31st

The next issue of the FT EXPORTER, Europe's leading export review will appear with the Financial Times throughout the UK and the Continent, on January 31st. Packed with advice, information and case studies the FT Exporter is a “must read” for all current or potential exporters.

To receive further information, please contact

Aine O'Connor  
Tel: +44 (0) 171 873 4071

or

Sally Beynon  
Fax: +44 (0) 171 873 4810



## Chrystia Freeland on the battle between hard-liners for political supremacy in Russia

### The president's men all at war

**A**s Russian forces inch closer to the battered presidential palace in Grozny, the military phase of the Chechen campaign is nearing its conclusion. But in another president's court, behind the medieval walls of President Boris Yeltsin's Kremlin, the political battle for control of Russia is now beginning in earnest.

"It is a battle between the hard-liners and the very hard-liners," says Mr Michael McPaul, a senior associate at the Carnegie Endowment for International Peace, a Washington think-tank. "The Chechen crisis has alienated the liberal reformers from the president and right now they are out of the picture."

The battle is over control of Russia's natural resources, its factories and the state treasury, and it has pitted Mr Oleg Soskovets, a deputy prime minister, against prime minister Victor Chernomyrdin.

At the head of the hard-core, hard-line camp is Mr Soskovets, who is aligned with the red directors of formerly state-owned heavy industry and defence plants and leading figures in the security forces.

Mr Chernomyrdin is champion of the western-oriented and potentially lucrative oil and gas sector, having completed his metamorphosis from a communist functionary to a reformer in the words of a reformer in the Ministry of Finance, "the most liberal figure in the president's inner circle".

Mr Yeltsin, who is taking more of the levers of power under his personal control while striving to remain above the fray, remains the referee. Both factions would like him to become their captain, but if he fails to pick sides soon - or aligns himself with the loser - they are prepared to replace him with one more committed to their policies.

"Mr Yeltsin is clearly in charge, it is a convenient myth to say that he is not," says Mr McPaul. "But it has always been Mr Yeltsin's strategy to have these factions and to pit them against each other. Now they are fighting it out."

The hard, hard-liners include - in addition to Mr Soskovets - General Alexander Korzhakov, chief of the president's personal guard and Mr Oleg Lobov, secretary of the increasingly powerful Security Council. For them, the conflict in Chechnya represents a promising, albeit mismanaged, opportunity.

By bringing all-out war on to the territory of Russia itself, the Chechen conflict has allowed the Security Council to usurp the dominant role in the Russian state that Mr Chernomyrdin's cabinet had previously played.

It has enabled the hard-core hard-liners to gain advantage in their campaign for control of Russian economic policy. Mr Vladimir Potemkin, the recently-appointed minister for privatisation who has pledged to rationalise property, is forcing reformers and their western advisers out of the State Property Agency, once at the vanguard of Russia's market reforms.

"Work on privatisation has stopped," said Mr Dmitri Vasiliev, a former deputy head of the agency.

There are even indications that some figures in the hard-line camp hope to extend the muscular approach on display in Grozny to their battle against private business interests in leading Russian cities. Mr Vladimir Shumeiko, speaker of the upper house of the Russian parliament and a member of the Security Council, hinted this week that the security forces' next job would be to "disarm all of Russia". He named Mr Vladimir Gusinsky, head of one of Russia's leading banking and media conglomerates, as first target. Mr Gusinsky's small private army of security guards clashed with the president's armed forces in December.

However, the failure of the Russian military to subdue fewer than 1m Chechens after a month-long campaign has revealed deep rifts within the military and highlighted the limits of Mr Yeltsin's own powers as commander-in-chief.

Top generals, including General Boris Gromov, deputy minister of defence and leader of Russian forces during the Afghan conflict, have criticised the Chechen intervention. In the field, officers have disobeyed orders to shoot civilians or left the Caucasian killing fields and gone home with their troops.

Mr Yeltsin was humiliated when the military continued to bomb Grozny last week in violation of his publicly announced orders. The president took his wrath out on his minister of defence, General Pavel Grachev, subjecting him to a dressing-down at a meeting of the Security Council.

The less hard faction is beginning to fight back, led by Mr Chernomyrdin, emerging from his autumn eclipse after the collapse of the ruble in October. He has been given responsibility for the "peaceful resolution" of the Chechen crisis, and could come out of the Caucasian fiasco as Russia's Mr Clean.

Coinciding with Mr Chernomyrdin's political resurrection have been reassurances about Russia's continued commitment to privatisation from a few of the president's more liberal advisers. These signs have inspired one eternally optimistic western investor in Moscow to speculate that "Yeltsin will perform one of his characteristic 180-degree turnarounds. He will throw all his support behind the liberals and economic reforms will continue."

The deep rift that the Chechen war has created between Mr Yeltsin and Russian liberals makes this hopeful scenario unlikely, at least in the immediate future. Yet the conflict has also exposed the practical limitations on the power of the hawks in the Kremlin.

Eventually the group which Russians have dubbed "the party of war" is likely to defeat the Chechens. But in Mr Chernomyrdin and the oil and gas barons, the hawks are likely to find a more formidable set of opponents.

In the meantime, Mr Yeltsin, weakened by the crisis but still the strongest man in Russia, is watching to see who wins.

## Higher profits, lower esteem

### John Gapper explains why the news is not all good for UK banks at the moment

**W**hen TSB Group this week announced pre-tax profits of £504m for last year, it showed just what a bumper year 1994 was for UK banks. The 11 biggest banks are thought to have made more than £10bn last year, compared with £7.2bn in 1993, raising their profitability to a level not seen for more than 10 years.

But while Sir Nicholas Goodison, TSB's chairman, mused about the respect UK banks enjoy "throughout the world", the rumblings of discontent grew. Mr Gordon Brown, the Labour party's shadow chancellor, accused the banks of charging small businesses "excessively high" interest rates.

Banks have been unpopular in the 1990s, mainly because of their lack of support for small businesses during the recession, and rises in charges that they imposed three years ago to compensate for bad lending losses. But their earnings now leave them more vulnerable than at any time this decade to charges of profiteering.

Mr Alastair Darling, Labour's City spokesman, says that his party does not want to control bank profits. But he says banks have a responsibility to act in the public interest. "They are different from companies that make rivets or sweets, because they are an essential part of the economy," he says.

Labour has made a number of proposals to curb the banks, including the appointment of a statutory ombudsman and a banking regulator who, Mr Darling says, would have powers to cap what are judged to be excessive rises in interest rates or charges. Mr Brown's statement earlier this week unsettled investors, and bank shares fell on worries over the political climate.

Mr Peter Thorne, banking analyst at Paribas Capital Markets, points out that banks' profitability is now double the average level of the past decade. It is also higher than the level that provoked the Conservative government to impose a 2.5 per cent "windfall tax" on banks' interest-free deposits in 1982.

Mr Thorne argues that UK banks' profits are "astonishingly high" com-

pared with those in other European countries. He says that banks have exploited their oligopoly in lending to small business, while personal customers have been prepared to put up with the relatively high cost of borrowing money because inflation has in the past eroded their debt.

But bankers are indignant at Labour's proposals, saying that they are ill-considered, and would only reduce the level of competition. "If you have been shadow chancellor, for God knows how many years, and this is the best you can come up with, it is pretty pathetic," says one banker.

Banks' main justification for their current high profits is that they need to make enough in the favourable part of the economic cycle to cover lending losses in recession. They also have to retain enough capital to grow, and to finance a steady increase in the dividend payments made to shareholders.

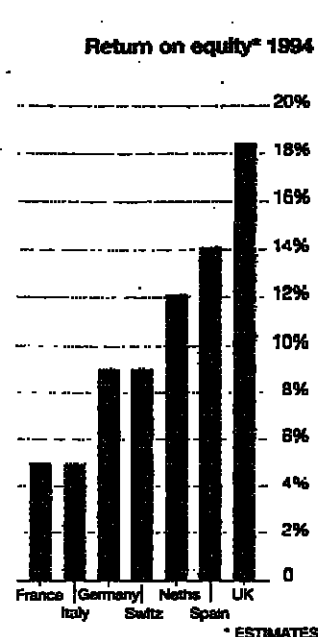
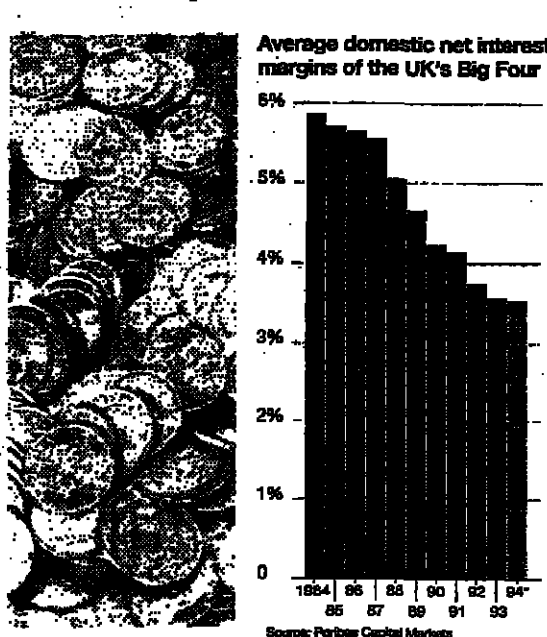
Because banks are highly geared - assets such as loans are usually 20 times the value of equity capital - a small change in the health of loans causes a big swing in profits. "Bank profits go up and down like yo-yos, and people find that hard to understand," says Mr Martin Taylor, Barclays' chief executive.

Though the yo-yo has risen to the highest point in recent memory, it is expected to go further. Sector analysts forecast that banks will make £12bn this year, and will build up yet more capital. Some observers are already predicting that banks may give the excess cash to shareholders in special dividends.

Doing so could expose them to further Labour accusations of robbing the poor - personal customers - to give to the rich - shareholders. They would also resemble privatised electricity companies, which have distributed cash to shareholders by buying back shares, and provoked Labour calls for a windfall profits tax.

Yet, as Labour officials admit, banks are different from electricity companies. Their profits are not only cyclical, but are more at risk from competition. Indeed, the fall in banks' share prices this week was partly because of fears over Labour propo-

### UK banks: profits to cushion the criticism



als, but also because of evidence of growing competition in the sector.

Although TSB's 1994 headline profits rose sharply from profits of £301m the previous year, this was mainly because of a fall in bad-debt provisions, which are an overhang of the last recession. TSB is finding it hard to gain new sources of income, and

penalise for this by raising charges to personal customers, and lending at higher interest rates to small businesses. But most bankers now believe they will be unable to sustain such margins and charges as they compete more strongly to attract customers.

"Still more pain this year in margins" ran the headline of a banking analyst's report published yesterday on the TSB results. A further worry for bankers is competition from building societies for mortgage and savings accounts.

Cheltenham & Gloucester Building Society has agreed to be acquired by Lloyds Bank for £1.8bn in order to be able to sell mortgages to Lloyds customers, while Halifax and Leeds are to merge and then convert to a public company to gain access to funding from capital markets, and compete with banks.

"Some of their [the banks'] tanks are already parked on our lawn, and conversion will enhance competition for customers," says Mr Mike Blackburn, Halifax chief executive.

The scarcity of new business is already leading to price competition in credit cards, a sector with traditionally high margins.

Yet not all forms of banking business are likely to become cheaper for customers. Most bankers say that lending to small businesses is too risky to allow big reductions in interest rates, although some have frozen their charges to such customers.

Nor is there a sign of other financial services companies stepping into the market. Most outsiders that are starting to compete with banks - such as Marks and Spencer and Virgin Group - are selling retail products such as personal equity plans, rather than offering loans to companies.

Abney National has not moved into small business lending since its conversion from a building society into a bank in 1988, and Mr Blackburn says Halifax would be cautious about any such move if it were to convert. "We are not going to be macho, and any diversification would be carefully planned and controlled," he says.

Yet as banks gear up to announce their most buoyant set of results for years, they are already realising that profits bring their own problems. If they are accompanied by large payouts to shareholders, the wrath of Labour is likely to fall upon their heads even more heavily.

### Gordon Brown's statement this week unsettled investors, and bank shares fell on worries over the political climate

profits from its branch network fell slightly.

Gathering deposits and lending money - the basic business of banking - is already far less profitable than it used to be. The average margins earned on loans have gradually been squeezed over the past decade. The margins on lending to big companies have fallen sharply in the past year. Banks have so far managed to com-

## Deborah Hargreaves asks whether protests in the UK are likely to affect veal production in Europe

### Clamour over calves

**T**he sight of thousands of demonstrators clashing with police at the Sussex port of Shoreham during the past two weeks has focused attention on the fate of British calves shipped to the Continent to be reared for veal.

Middle-class animal lovers, radical vegetarians and animal rights campaigners have combined forces to try to stop the shipments. The protests follow a five-year, hard-hitting campaign by the Royal Society for the Prevention of Cruelty to Animals against the transport of live animals from the UK to other European countries.

Public opposition to livestock transport has led successive UK agriculture ministers to argue for European Union limits to journey times and improvements in the way animals are handled. EU-wide agreement has not been reached, but protesters have been successful in persuading the large passenger ferries to ban the trade, and are now trying to stop livestock movements from other shippers.

The UK already has more stringent animal welfare regulations than much of Europe. But attempts to raise standards across the EU have been defeated by southern member countries - often led by France - where public concern is not so great.

"It is just stupid to compare the comfort of animals with that of humans," says Mr Jean Yves Renan, a large veal producer in Brittany.

The campaigners are now concentrating their efforts on opposition to the rearing of calves in small crates, which produces the milky white veal

prized by gourmets on the Continent. Two-week-old calves are tethered in dimly lit crates that severely restrict their movement, and fed on a liquid diet based on milk powder that leaves them anaemic. At the age of six months they are slaughtered and sold at a premium price.

In 1988, the European Commission, with strong support from the European Parliament, proposed a ban on the crate system, but it was defeated by agriculture ministers. A move to include more iron and roughage in the diet was also vetoed. Instead, a directive was adopted which gives calves slightly more space and encourages the use of group pens. That must be implemented by 2004, and the Commission is required to review progress towards these objectives by 1997.

The veal crate system was banned in the UK in 1980 after widespread public protests. But British dairy farmers export 500,000 calves a year worth £100m to the Continent - most of them to farms using the veal crate system.

"We want to ban the shipment of British calves to veal crates. If Britain took unilateral action, it would soon come to the top of the European agenda," says Mr Peter Stevenson of Compassion in World Farming, an animal welfare group.

Continental producers argue that veal crates are traditional and that their livelihoods would be threatened if they



gave them up. "I think crates are often the best conditions for the animals, because they are quieter and more comfortable," says Mr Renan, who buys 300-500 UK calves a week.

The veal industry in continental Europe is more important than in the UK, which is why European farmers say it was relatively easy for Britain to ban the crate system.

According to the UK Meat and Livestock Commission, Britain currently produces only 420 tonnes of veal - so-called pink veal, which comes from calves kept in loose pens - a year, which represents about 3,000 to 4,000 calves. Even when veal production was at its peak, the UK

are heavily dependent on veal production abroad. They sell male calves produced as part of the milk business that are not needed for beef production.

"It would be quite a big blow if we weren't able to sell calves for export - these animals represent around 5 to 10 per cent of my income," says Mr Huw Rees, a Carmarthen dairy farmer. Mr Rees says he felt the effects of the recent protests at last week's cattle auction, where his calves fetched £10 each rather than the £100 they had been reaching.

Overall, average calf prices have dropped by about £40, from £130 per head before Christmas to £90, according to the Meat and Livestock Commission. If this drop in price is sustained, dairy farmers could try to force up milk prices to make up for lost income.

The RSPCA has said that - as a last resort - it would be better to slaughter calves at birth than to consign them to life in a veal crate. But farmers would prefer to find alternatives to avoid loss of income.

One option would be to use some of the calves for beef production (though many are not suitable). But this could affect the beef trade: it could add up to 15 per cent of UK output with a consequent drop in prices for beef farmers.

Another option would be to develop the market for pink veal produced in the UK. Tesco, the British supermarket chain, said this week it would stop importing veal from the Netherlands and buy from UK

producers. There may also be scope for sales elsewhere in Europe to consumers with animal welfare concerns.

"We are trying to be realistic about the opportunities for farmers. But the thing that worries us most about the possibility of a ban on shipments is the way the decision will be taken. Do we really want the actions of these people to force a ban?" asks Mr Mick Sloyan, an economist with the Meat and Livestock Commission.

**M**r William Waldegrave, agriculture minister, says a ban on calf shipments would be illegal under the Treaty of Rome. However, Mr Stevenson of Compassion in World Farming says governments can impose export restrictions on the grounds of public morality or the life and health of animals. He says this clause is used by Britain to maintain its ban on the export of horses for slaughter.

One reason for Mr Waldegrave to hold out against a ban is the cost of compensation. Lawyers have told Mr Waldegrave the government could be held liable for millions of pounds worth of farmers' claims if exports were halted. That is because EU rules allow trade in veal meat take precedence over UK laws - the horse export ban was possible because, unlike with veal, there is no EU directive on trade in horses.

Mr Waldegrave's hand may be forced by a private member's bill to ban live shipments, which comes before the House of Commons on February 3. For now, however, he prefers to thump the table in Brussels.

### Passion for arts centre

**From Mr Nicholas Snowman.**  
Sir, Perhaps it was an attack of post-Christmas blues which elicited Clement Crisp's little outburst about the South Bank complex at the end of his review of the Nutcracker (Arts, January 6).

We are passionately about our buildings and are keenly aware of the considerable investment needed to transform them into the welcoming cultural centre worthy of the capital. That is why (despite arts funding cuts of 25 per cent in real terms during the past eight years) we are spending more than £500,000 this year on a rolling programme of refurbishment, upgrading, new signs and cleaning of the Royal Festival Hall. That is why, last

year, we held an international architectural competition for the site, resulting in Richard Rogers' brilliant and inspired plans for the buildings; currently the focus of a bid for Lottery funding.

Sadly, Clement Crisp seems to have nodded off sometime during the early part of 1994. We hope he will have recovered his spirits in time to join us for a drink at the opening of our new restaurant, the People's Palace, in the Spring. He will also be heartened to know our signs project will be completed by the end of this year. Nicholas Snowman, chief executive, The South Bank Centre, Royal Festival Hall, London SE1 8XX

### Impatient driver on wrong track

**From Ms Daniela Vukovitch.**  
Sir, Someone other than Mr Alan Saunders (Letters, January 6) stuck in a traffic jam on a road next to a clear rail track might have come to the opposite conclusion about which is the more efficient transport system. Mr Saunders would

like to pave over railways to make more roads. Perhaps some roads should have new rails laid into them instead. Daniela Vukovitch, 1 Tynska 12 Stare Mesto, Prague 781 43 74, Czech Republic

### LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL  
Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

## Hour of need for a modern Adam Smith

**From Mr Keith Hudson.**

Sir, Samuel Brittan is surely correct when he writes that what is wrong with economics is "the over-emphasis on technique as opposed to underlying ideas" (from *Capitalism with a Human Face*, as reviewed by Robert Skidelsky, January 12).

Today, we need diagnostic

economists as never before in order to understand just what is happening in modern advanced economies. We need a new Adam Smith - someone who is able to take a panoramic view of all the counter-intuitive trends of modern society, including the demise of jobs, and then to generalise

with imagination. Samuel Brittan was echoing what Sir Henry Phelps Brown said more than 20 years ago in his presidential address to The Royal Economic Society: "Economic assumptions cannot be tested, and their plausibility can only be assessed from observation and analysis. We ought to

value powers of observation more highly than powers of abstraction, and the insight of the historian more than the rigour of the mathematician." Keith Hudson, secretary, The Job Society, 6 Upper Camden Place, Bath BA1 5HX

## UK graduates should take a leaf from Germany's book

**From Mr Gavin R. Simpson.**

Sir, As highlighted in your story, "Employers not impressed with calibre of graduate applicants" (January 5), UK graduates are no longer cutting any ice with the business community. A comparison with Germany adds weight to the criticisms made.

German graduates, although older (25-26), tend to be better communicators, to have more experience of contributing in a

team, and to have greater business acumen.

My experience of studying and working in Germany leads me to suggest two explanations for this. First, the German higher education system is far more practical than the British. Oral examinations in all subjects enhance communication skills, while group case studies and project work build team player attributes. British courses, on the other hand,

remain entrenched in classroom teaching and individual study.

Second, German graduates gain invaluable experience of what goes on in a company through business placements in vacation periods. Such enlightenment often eludes British graduates until that fateful first day.

German companies embrace the placement system as a means of shaping students to

fit the needs of the business community. UK companies, however, seem reluctant to test these mutually beneficial waters.

Co-operation between universities and employers is the key to making UK graduates more operational. Gavin R. Simpson, First Munich Consultants, Herzog-Heinrich-Strasse 36, D-80336 Munich, Germany

### City flashes yellow card

**From Mr Kevin Wilson.**

Sir, I feel the need to put John Authers straight. In no way did Southampton City Council "parade Lawrie McKennym" in support of the city's campaign for unitary status ("Delivered from the dust-cart", January 11).

Lawrie and Alan Ball - just appointed Saints football club manager at that time - attended a brief ceremony with many other Southampton supporters to give the city's case a sending off. No signing-on fee, no money changed hands.

In their own words, they came because the council and the football club - and many other organisations in Southampton - work as a team to

promote community spirit.

The strength of the city's case was based on this sense of community and this must have been a factor in the Local Government Commission's decision to recommend Southampton for unitary status.

John Authers deserves a yellow card, at least, for ungentlemanly conduct.

Meanwhile, we expect to be over the moon if and when parliament ratifies the recommendation. Kevin Wilson, group leader, public relations and graphics services, Southampton City Council, Civic Centre, Southampton SO14 7NG

### Ski statistics seem self-indulgent

**From Mr Christopher Hogarth.**

Sir, I admire the determination with which Arnie Wilson and Lucy Dicker set about achieving their objective of skiing every day for a year ("Around the world with the king of skiing", January 7/8). However, there appears to be an important statistic missing

from the facts and figures summary - the amount raised for charity. Doesn't the adventure otherwise seem a little too self-indulgent, a little too "empty"? Christopher Hogarth, Post Strasse 14a, 40567 Meerbusch, Germany



No surprise cash call but £33m exceptional charge and 850 redundancies

## APV proposes restructuring

By Geoff Dyer

APV, the producer of food manufacturing equipment, announced yesterday its long-awaited restructuring plan involving an exceptional charge of £32.5m and 850 redundancies.

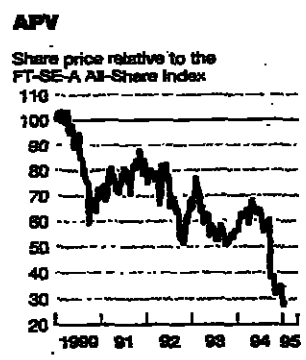
The shares initially jumped 7p to 61p in relief that the announcement contained no surprises such as a rights issue, but later fell back to 55½p, up 1½p on the day, after confirmation that trading conditions were still difficult.

Dr Neil French, acting chief executive, said that orders in the 11 months to end-November were 4 per cent higher than the previous year, but although margins had stabilised, they were still under pressure.

The redundancies form part of a two year "profit improvement programme" which has resulted in an exceptional charge to the 1994 accounts of £25.6m, £23.7m in cash, and £1.9m in anticipated asset write-downs.

The group claims that the cost-cutting will increase operating profit by £14m in the first year and then £20m a year after the programme is completed in 1996.

It is thought that over 700 of the redundancies will be from the group's continental European operations, with the largest number in Germany and Denmark.



also be written off through the 1994 profit and loss account. APV also announced that it had signed an £86m three-year loan with its existing syndicate of 11 banks.

Shares in APV, which were at 118½p before the interim in September, plummeted when it announced that it would take a restructuring charge and halve the interim dividend. It said that competition from GEA, a German manufacturer, in the liquid food equipment market was affecting margins.

On October 18, Mr Clive Strowger was ousted as chief executive. Analysts now expect APV to suffer a pre-tax loss in 1994 of between £17.5m and £24m and profits in the range of £18m-£24m in 1995.

In response to scepticism from some analysts about the estimated cost savings, Dr French said: "These are not half-thought out measures. They have been worked out in a great deal of detail."

## Blockbuster to close 133 smaller rental shops

By Alice Hewthorn

Blockbuster, the largest force in UK video retailing, yesterday announced plans to close 133 of its Ritx video rental shops with the loss of 600 jobs.

The closures form part of a radical restructuring of Blockbuster, a subsidiary of Viacom, the US entertainment group, which include dropping the Ritx name by converting the 350 remaining Ritx units into Blockbuster Express shops.

Blockbuster, by far the biggest video retailer in the US with more than 4,000 units, opened its first British shops under the Blockbuster name and acquiring CityVision, the Ritx company.

It now owns 83 Blockbuster superstores, which sell and rent video cassettes. It has also converted 225 of the Ritx shops into smaller Blockbuster Express units.

Blockbuster now plans to convert 350 of the remaining Ritx units into Blockbuster Express stores. All the other 133 Ritx shops will be closed, either because they are too small or too close to other Blockbuster-owned stores.

The restructuring reflects the changing nature of the video market. The rental sector, which enjoyed rapid growth in the 1980s, is in decline, whereas sales of videos continue to increase sharply.

BIS Strategic Decisions, the research consultancy, estimates that the rental market peaked at £378m in 1993 and fell to £254m last year. Conversely the sell-through sector rose from £830m in 1993 to £751m last year. This sector has doubled in value over the past five years from £340m in 1990.

There has also been a marked trend away from the classic corner shop video rental stores, towards larger stores such as those in the Blockbuster superstore chain.

## Delian Lloyd's

Delian Lloyd's Investment Trust reported after-tax revenue of £938,000 for the 10-month period to September 30; earnings per share emerged at 1.53p.

Net asset value per share at end-September was 90.79p but had slipped to 90.4p at the end of 1994.

The final dividend was 1p making a total for the period of 1.53p.

The company began trading on November 12.

## Licensing setback for Wellcome drug in US

By Jenny Luxbury

Two recommendations to the US Food and Drug Administration that it should not license Wellcome's best-selling Zovirax as a non-prescription drug were far from final, the UK drugs maker said yesterday.

On prescription, Zovirax earns Wellcome more than £200m a year in the US, but its US patent will expire in April 1997. An over-the-counter version for the treatment of genital herpes, could generate additional US sales of between £350m and £500m a year.

The advice of the advisory committees which made the recommendations is normally upheld by the FDA, but the administration often later approves licences that it has previously refused. The Zovirax request is the first to be lodged with the FDA for a non-

prescription treatment for a sexually transmitted disease.

The advisory committee said on Wednesday that it remained concerned that the availability of such a drug would encourage patients to use it rather than consult a doctor, resulting in misdiagnosis and incomplete courses of treatment.

This could have serious consequences for patients and their partners.

The committee also requested further evidence to support Wellcome's claim that greater use of the drug would not lead to increased viral resistance.

Wellcome said it would be holding further talks with the FDA to try to address these concerns, but remained convinced that Zovirax met the criteria for OTC approval.

The drug has been available in the UK without prescription

since last year - as a cream for coldsores, which the company believes is a bigger market in the UK than that for genital herpes.

The consequences for Wellcome of a long-term refusal by the FDA would be very serious. US sales account for about 40 per cent of Zovirax's global sales of £300m, which then serves account for almost 40 per cent of the company's annual turnover.

Last year, Wellcome formed a partnership with Warner-Lambert to market its OTC drugs globally, in an effort to limit the damage from generic. The partnership would not be in jeopardy if the licence was refused, according to Wellcome, but its role in the US would need to be reconsidered.

Wellcome's shares fell 15p to 66½p yesterday.

See Lex

## BT choice shows multimedia future

By Alan Cane

British Telecommunications, the UK's largest telecoms operator, has named Dr Alan Rudge as deputy managing director, in a move which acknowledges the importance of new multimedia services, such as video-on-demand and the information superhighway to BT's future development.

Dr Rudge, a member of BT's main board, is currently managing director of development

and procurement. He will rank number three in the organisation behind Sir Iain Vallance, chairman, and Mr Michael Hopper, managing director.

BT's most senior technologist, Dr Rudge is an outspoken advocate of multimedia technologies, which could be used to deliver a broad range of interactive services to the home and office. He has supported the idea of BT investing in a countrywide broadband network based on advanced fibre-optic technology.

BT has also announced that

Mr Chris Earnshaw, at present chief executive of Concert, BT's joint venture with MCI of the US, will have the new post of managing director, networks and systems. Mr Michael Arncliffe, the present managing director of worldwide networks will retire on April 30.

Mr Alfred Mockett, managing director of BT global communications will be accountable for Concert, a managed data service, and the temporary chief executive will be Mr Peter Erskine, director of BT Mobile.

BT has decided to go ahead with the sale of \$5.86m AT&T shares it holds as a result of the merger of McCaw Cellular Communications with AT&T in 1993. BT will make about \$1.70m from the sale. It has always said it did not intend to be a long-term holder of the shares. Goldman Sachs and Morgan Stanley have been appointed joint global co-ordinators and joint lead managers for the offering, which is one of the largest in US business history. The sale could occur later this month.

## RTZ sells 10% interest in Lihir Island gold project

By Kenneth Gooding, Mining Correspondent

For the second time in 18 months, RTZ, the world's biggest mining company, has announced the sale of part of the Lihir Island gold project in Papua New Guinea to Vengold, a "junior" Canadian exploration company.

The previous deal between the companies fell through because of long and unexpected delays to PNG government approvals for the project, which aims to develop one of the world's biggest known gold deposits, located in an extinct volcano.

Mr Ian Telfer, Vengold's president, said he was certain the new arrangements would now go ahead.

Previously Vengold was to have paid RTZ \$80m (£38.4m) for an effective 20 per cent of the project. The price has now

changed to \$50m for an effective 10 per cent. The change from \$3m to \$5m a percentage point was because the project was now less risky, said RTZ.

Mr Telfer said the deal was still worthwhile as it gave Vengold 10 per cent of Lihir's estimated 40m troy ounces of gold reserves, or 4m ounces - "a huge reserve for a company of our size and at our stage of development". Vengold was still considering how it would raise the cash, he said.

If various deals are completed, an RTZ subsidiary (75 per cent owned by RTZ and 25 per cent by Vengold) will own 40 per cent of the Lihir project.

Apart from the proceeds from Vengold, RTZ will collect additional cash from the PNG government, which intends to take 30 per cent of the project, and from Ningini Mining, its present partner, which wishes to increase its shareholding

from 20 to 30 per cent. Ningini will pay only \$3m a percentage point, however, because it has a firm agreement with RTZ to that effect. RTZ estimates it will receive in total about \$135m while still retaining an effective 30 per cent of the project and having operating control.

RTZ said the deal with Vengold was scheduled to close during the second quarter of 1995, subject to and following the issue of a special mining lease by the PNG government.

The estimated capital cost of the Lihir project, which has increased slightly to \$670m, is expected to be financed in full by bank loans and the flotation of a new company, Lihir Gold, on the Australian Stock Exchange some time this year.

RTZ said the partners would provide Lihir Gold with shares in the gold project on a pro rata basis.

## Urban Finance subsidiaries in receivership

By Simon London, Property Correspondent

Receivers were yesterday appointed to the subsidiaries of Urban Finance Corporation, the privately-owned property group which also operated aircraft services out of Farnborough Airfield in Hampshire.

Mr Alan Bloom and Mr Nigel Hamilton of Ernst & Young were appointed joint receivers to the holding company at the start of January, following the expiry of its bank facilities. The group as a whole is believed to owe about £26m.

Yesterday the receivers moved into the three main operating subsidiaries of the group, including Urban Aircraft Operational Services, which handles 7,000 flights a year out of Farnborough.

The company has a 125-year lease on the 16-acre airfield, with the freehold owned by the Ministry of Defence.

## A rosy future for futures spells a charmed Liffe

Richard Lapper considers whether last year's exceptional growth in trading volumes was merely a blip

If the London International Financial Futures and Options Exchange - better known as Liffe - were a listed company, its share price would be flying.

Earlier this month Liffe, which is owned by the banks and dealers that trade on its floors, reported that trading in its products - futures and options on interest and money market rates, stock indices and exchange rates - had increased by 50 per cent in 1994.

Some 150m contracts were traded at the exchange last year, compared with only 241,881 in 1993, the market's first year of trading.

Furthermore, on 12 separate days more contracts were traded on Liffe than on any other futures exchange in the world, with activity briefly exceeding that of the Chicago Mercantile Exchange and the Chicago Board of Trade, the world's two biggest futures markets.

So rapid has its expansion been that the exchange is already seeking to expand its floor space again, only three years since its last move, and could announce plans to seek new premises this year.

Since it moved to Cannon Bridge in the City of London three years ago, the number of traders and back-up staff who work on its 26,000 sq ft trading

floor has increased by about 50 per cent to 1,850. Mr Daniel Hodson, chief executive, who joined the market from the Nationwide Building Society in 1992, says the market is looking for up to 100,000 sq ft in floor space for its trading activities, nearly four times the area it has at present.

At first sight the expansion at Liffe might seem odd. After all, futures and options are derivative products, the use and abuse of which has been blamed for a succession of corporate disasters over the past 18 months, with a number of highly rated international companies among those hit.

Yet last year the turmoil on the world's bond and money markets - which ensued in the wake of the surprise increase in US interest rates in February - has translated into good business for Liffe and the world's other derivatives exchanges.

Growth has been concentrated in products such as short sterling (three-month sterling futures) and German government bond futures, interest rate contracts which allowed investors to manage their liabilities or assets more effectively when the world's money and bond markets are extremely volatile.

"The turn in the bond market really boosted volumes in the first half," explains Mr Ralf Herklotz, director of business development at Liffe. "People had a tremendous need for hedging at that time."

During the 1993 bull market international investors had radically increased their exposure to government bonds. When the market went into reverse last year after the increase in short term interest rates in February, many sold futures to hedge against the falling value of their cash positions.

"Hedge funds and proprietary traders sold futures to hedge long cash positions in



London's futures and options exchange: seeking new premises after three years at Cannon Bridge

bonds," says Mr James Campbell-Gray, director of SGF Chemicals & Futures.

They were able to do this because the futures market was more liquid than its cash equivalent. In addition, growth was fuelled by activity of new entrants. US and European fund managers have become more active participants, as have investors from the east Asia, says Mr Herklotz.

A number of British institutions have also been more active in the market. In recent years many building societies for the first time offered their customers fixed rate mortgages and assumed on to their own balance sheets the corresponding floating rate liabilities. So, when interest rates began to rise last year, many found themselves with potentially onerous increases in costs, and sold futures to hedge.

Many adopted a classic hedging tactic known as the "short hedge" - selling futures and then buying the contracts back, after rises in interest rate

had led to a fall in the bond and futures prices.

"This was the first time since the introduction of fixed rate mortgages that building societies have felt the need to have their exposures completely hedged," says Mr Tony Donnelly, head of futures sales at BZW Futures.

Partially as a result of these trends the volume of three-month sterling contracts traded in 1994 rose from 12.1m to 16.6m, while the so-called "long gilt" contract rose by 61.3 per cent to 19.1m contracts.

Other bond contracts also showed strong growth. Volume in the three-month Eurobond and German government bond contracts rose by 37.5 per cent (to 29.3m) and by 82.7 per cent (to 37.3m), respectively.

Italian bond futures contracts also grew strongly, with volume in the three-month Euro-lira paper rising by 183 per cent and the 10-year Italian government bond nearly

doubling. Options contracts, which give an investor the right but not the obligation to buy a bond at an agreed time in the future and at an agreed price, also surged, with sales of German government bond options up by 94.1 per cent.

Nevertheless, there are some indications that the exceptional growth enjoyed this year could turn out to be something of a blip. Mr Hodson estimates that business growth slowed during the second half of last year and expects volume to increase only by between 10 and 20 per cent in the next 12 months.

Liffe's trading volume in Liffe's equity products - futures and options based on the FT-SE 100 and 250 - is still only modest compared to some rival exchanges. So far UK fund managers have shown themselves less enthusiastic buyers of equity derivatives than their continental counterparts.

Last year's figures show volumes in the three-month Euro-

dollar - one of the world's most actively traded contracts - fell by more than 50 per cent, as the Chicago Mercantile Exchange cancelled its grip on the world's most popular exchange-traded product.

Liffe maintains that its floor trading system has unrivalled depth and liquidity, even so, there are some critics who suggest that screen-based trading systems developed by some rivals may become a competitive threat.

Moreover, in the very much longer-term Liffe must run the risk that at least some of its core products could become redundant if Europe moves towards monetary union. If Europe were to adopt a single currency the demand for three-month interest contracts in four European currencies (sterling, the mark, the lira and the Swiss franc) might be expected to fall.

Mr Hodson brushes aside such concerns. He is particularly pleased that Liffe has fended off competition from the German exchanges for the Bund contract. Liffe says its market share of the Bund future rose by 5 per cent to 75 per cent last year.

It is also hopeful about its efforts to form alliances with other international exchanges, a strategy it favours ahead of the efforts, backed by rivals such as Maffi in France and the Chicago Mercantile Exchange, to develop a global electronic trading network marketplace, through the Globex initiative.

Liffe is in talks with the Chicago Board of Trade about plans to link up the two exchanges' electronic trading systems. It already distributes the Japanese government bond contract in London, and hopes to add the three-month Euro-year contract to its list later this year, if talks with Tokyo International Financial Futures Exchange prove successful.

## Scotland's first gold mine will open in two years

By Kenneth Gooding, Mining Correspondent

Scotland could have its first gold mine in about two years, according to Mr Dennis MacLeod, chairman of the Caledonia Mining Corporation, an international mining company based in Toronto.

He was speaking after Caledonia agreed to buy Fynagold Exploration, which owns the Cononish gold property, 60 miles north-west of Glasgow in the Scottish Highlands.

Enxet International, the USM-quoted Dublin-based minerals exploration company, is to sell Fynagold for \$4.25m (£2.73m) cash and 500,000 Caledonia shares.

The shares yesterday had a

market value of about £810.50 (\$4.70) each.

Planning permission for a mine at Cononish has already been obtained and Mr MacLeod said development would begin as soon as debt financing had been arranged.

This would probably take six months and then it would take another year to 18 months to bring a mine into operation. He envisaged a small gold mine producing about 23,000 troy ounces a year.

Mr David Coyle, a director of Enxet, said it made more sense for his company to sell Cononish than to enter into a joint venture to develop it.

The Caledonia shares would give Enxet a continuing interest in Cononish.

## Booker strengthens its distribution services side

Booker, the food group, is strengthening its presence in the market for distribution services to fast-food outlets and chain restaurants.

It is buying Ravenshoe, the holding company of Holroyd Meek, the catering contract distributor. The initial consideration of £10m, to be adjusted with reference to Holroyd Meek's net tangible assets at December 31 1994, will be satisfied by £5.1m cash, £4.2m in loan notes and £700,000 in shares.

Holroyd Meek will merge with Foodlink, which will be separated from Booker Foodservice, the catering contract distribution division set up last July. The businesses will dis-

tribute food and non-food services to fast-food chains and branded restaurants under the Holroyd Meek name.

Booker will pay a further £4m deferred for two years, and another £2m in 1996 if profits from the new business reach £4.5m. A further instalment of £2m in 1997 will depend on profits in that year.

For the year to October 1 Holroyd Meek reported pre-tax profits of £400,000, £300,000 before non-recurring costs, on sales of £132m. Net assets stood at £1.2m.

Booker expects the acquisition to "enhance earnings marginally" this current year. Booker's shares closed 1p lower at 41½p.

## DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Delian Lloyd's	1.53p	Feb 21	1.5		

Dividends shown pence per share net except where otherwise stated. ↑on increased capital. \$USM stock.



## INTERNATIONAL COMPANIES AND FINANCE

## Virgin Atlantic to link with Malaysia Airlines

By Michael Skipshaker, Aerospace Correspondent

Virgin Atlantic and Malaysia Airlines are expected to announce on Monday they will begin offering joint flights from London's Heathrow airport to Kuala Lumpur and Sydney in the spring.

The partnership between the two airlines is expected to go further than the code-sharing agreements which many carriers have announced. Code-sharing is when two airlines use a single flight number to market a route, arranging for passengers to change carriers during a stop-over where necessary.

Rather than concluding a code-sharing deal, Virgin and Malaysia are believed to have decided to offer joint flights

staffed with mixed crews from both airlines.

When the twice-daily Boeing 747 flights from Heathrow to Kuala Lumpur begin in April, the aircraft will carry the livery of the Asian carrier but Virgin crew will work along-side Malaysia Airlines staff.

Virgin will introduce its own Boeing 747s on to the route next year, but these will also be staffed with crew from both airlines. One daily flight will continue from Kuala Lumpur to Sydney. Both airlines refused to comment on the proposed agreement.

Virgin has long regarded expansion in the Asian market as one of its priorities. It began flying to Tokyo in 1989 and to Hong Kong last year. It is known to be keen to break into the market for flights from

London to Australia, which is dominated by British Airways and Qantas, the Australian carrier.

The airline has said that it is vital to fly from Heathrow. Mr Richard Branson, Virgin's chairman, complained this week that his airline had found it difficult to gain access to suitable landing slots at Heathrow, which is dominated by British Airways.

Mr Branson told the Royal Aeronautical Society that restricted access to Heathrow would make it difficult for the company to grow over the next decade at the same rate as it had since it was founded 10 years ago. He said: "Our attention this year will be on persuading ministers and the powers that be to change the rules at Heathrow."

## Credit prepares increased bid for Rolo

By Andrew Hill in Milan

Credito Italiano (Credito), the Italian bank seeking to take control of Credito Romagnolo (Rolo) of Bologna, plans to deliver a knockout blow to Cariplo, the Milan savings bank, with its resuscitated bid for Rolo.

In a brief newspaper announcement, published yesterday, Credito said the increased bid would be better than the consortium offer in terms of "quantity and price", and advised Rolo shareholders to wait for the new offer before selling their shares.

The price of Credito shares yesterday rose by more than 4 per cent in a buoyant Milan market.

Before relaunching the offer, Credito will seek a definitive ruling from Consob, the Italian stock exchange watchdog, on whether Cariplo and its allies are allowed to hit back. Italian takeover rules are ambiguous on the subject.

Credito's first L20,000-a-share offer values 64 per cent of Rolo at L2,800bn (\$1.7bn). The consortium bid, which opened on Wednesday, is for 70 per cent of Rolo, at L21,500 a share, and will involve an investment of L3,200bn.

Cariplo's allies are IMI, the banking group, Bente Mutua, the insurer, and Cassa di Risparmio in Bologna, a local bank.

To top the Cariplo bid, Credito is planning to call on Carimonte, another local bank, and Ras, the Italian associate of German insurer Allianz, for support.

They are expected to take a stake in Rolo if Credito's new bid is successful.

Credito has faced local opposition since its initial approach in October was defined as hostile by the Bologna bank.

Both bids, which close on February 3, now offer broadly similar guarantees on the future independence of Rolo, dividend policy, and board representation for minority shareholders, with the Cariplo consortium promising slightly more than Credito.

## Microsoft expands Internet service

By Louise Kahoe in San Francisco

Microsoft has acquired a minority stake in UUNET, one of the largest US Internet access service providers and licensed Internet software to provide full Internet access for users of its planned Microsoft Network online service.

Microsoft has licensed Mosaic, one of the most widely used Internet browser programs from Spyglass, a company that sells software developed at the University of Illinois National Centre for

Supercomputing Applications (NCSA).

The investment in UUNET was a strategic move, said Mr Bill Miller, marketing manager for the Microsoft Network.

UUNET would create a new, dedicated, global network connected directly to the Internet, giving enough capacity to Microsoft customers to handle the anticipated millions of users who will begin to use the Internet from the Microsoft Network, he explained. UUNET will build, operate and maintain the new network.

Software to access the Micro-

soft Network will be included in Windows 95, a new version of the popular personal computer operating system Microsoft plans to introduce in August.

Windows 95, with projected sales in the first 12 months of about 30m copies, could create a large increase in the number of users of online services, analysts predict.

When Internet access is added to the Microsoft Network, in late 1995, "we could potentially overwhelm the existing infrastructure of the Internet", said Mr Miller.

Microsoft's agreement with UUNET will effectively expand the capacity of the Internet to handle the anticipated increase in data traffic.

Microsoft also plans to incorporate Mosaic, the Internet browser program licensed from Spyglass, into some of its products.

Although the company has yet to announce details, the Internet access software is expected to be offered as an add-on to Windows 95 and be incorporated in subsequent versions of Windows.

## Crédit Lyonnais shares hit by bank report

By Andrew Jack in Paris

Shares in Crédit Lyonnais dropped sharply yesterday after the circulation of a report criticising the French banking system. The loss-making bank is embroiled in restructuring discussions with the state, its controlling shareholder.

The authors argued the government "is going to and should" provide substantial additional financial support to the bank by the time it finalises its 1994 results. It reported FF4.5bn (\$851m) in half-year losses on top of FF6.9bn in 1993.

They also lambasted the broader French approach to bank regulation, dubbing it "a system of power that is closed to the point of completely excluding the possibility of error by one of its members

and being totally helpless when errors become clear."

The report was written anonymously by Boursin, purportedly a group drawn from the senior ranks of government and business. Such an approach is often used in France by officials wanting to be critical in public but retain their jobs.

The report goes further than the scathing parliamentary commission last summer which examined Crédit Lyonnais' problems.

Equinox said the commission "did not know, did not want to or could not say" the full story behind the bank's

troubles. The report's publication caused Crédit Lyonnais' *certificat d'investissement*, or non-voting shares, to drop 6 per cent yesterday morning on the Paris bourse, causing their temporary suspension.

The shares closed down more than 3 per cent on the day.

Some market analysts suggested the drop was because the report was so well informed it must have been written by individuals with reliable inside information, and supported fears that the bank's losses were worse than thought.

The conclusions bolstered unconfirmed reports in the French press that Crédit Lyonnais would require additional financial guarantees or injections of FF20bn-FF30bn to cover its legacy of heavy losses over the past few years.

"It is now inevitable that the minority shareholders will have to be involved in a rescue," said one analyst yesterday.

The report argues that the reason for Crédit Lyonnais' troubles included the ambitions of its former chairman, deficiencies in internal controls, and ambiguities in its relationship with regulators and government.

It criticised a Treasury without means, a Banking Commission too hidebound by rules, public auditors too cumbersome and trapped by contradictory demands, and an intransigent chairman and management board.

It also stresses the difficulties for managers within the bank, who are not free to determine wages or lay-offs on the large scale practised by their competitors in other countries.

## Sonae considers BCP strategy

By Peter Wise in Lisbon

Sonae, Portugal's leading conglomerate, began consultations yesterday on a strategy that will largely determine the outcome of Banco Comercial Português' (BCP) L20,000-a-share bid for Banco Português do Atlântico, approved by the government on Thursday night.

Sonae, leader of BCP's core shareholder group, said it would not decide on a definitive response to the bid until the government clarified whether it intended to sell the state's 94.5 per cent holding in BCP to BCP, or later in a separate public offer.

BPA's core group, 13 Portuguese companies which own 29 per cent, have nominated

Sonae to lead the response to the bid by BCP and Imperio, an insurance company. The offer is L2,730 for each share. BCP shares closed yesterday at L2,607.

Sonae, which owns 7.27 per cent of BPA, Portugal's second largest bank, opposed an earlier BCP offer of L3,000 a share for 40 per cent of BPA, which was vetoed by the government in September.

BPA's offer is conditional on acceptances from 50.001 per cent of BPA shareholders. Imperio would acquire any additional shares purchased. The bid would fail if both the state and all the core group did not sell to BCP.

Sonae said yesterday it would make an accounting

profit of L3.4bn if it sold at the offer price but a smaller nominal profit, taking financial costs into account. Analysts said Sonae's possible strategies, apart from accepting the offer, were:

- block the bid by ensuring less than 50 per cent of shares were made available to BCP;
- lift its holding above 10 per cent. Sonae would not have to sell even if BCP acquired the other 90 per cent. Sonae could sell at a premium to ease the break-up of BPA's assets between BCP and Imperio;
- secure a powerful ally to mount a counterbid, for which it would have to offer at least 5 per cent more than BCP. Sonae has denied that it is mounting such a bid.

## Vard secures loan to repay debt

By Karen Fossell in Oslo

Vard, the troubled Norwegian cruise group, yesterday disclosed details of a \$22m loan which it secured to repay \$25m held by its Miami-based Kloster Cruise unit. The loan matured on January 10.

The group pulled together the fresh refinancing package after the collapse of a deal

which Vard had hoped to unveil on Wednesday.

"Vard has today repaid all its indebtedness falling due," it said yesterday. A syndicate of foreign and domestic banks, led by Den norske Bank, Norway's biggest bank, were the bank's creditors for the old loan.

The company said "industrial lenders" were behind

\$22m of the new \$22m package and DnB, Fokus Bank and Sparebanken Nor, two other Norwegian banks, were responsible for the remaining \$40m.

Trading in Vard's shares was suspended on the Oslo bourse on January 6 but the company extended the suspension last Wednesday when the first refinancing package collapsed.

## France seeks core investors for Seita stake

By John Riddling in Paris

The French government yesterday took a further step towards the sale of Seita, the state tobacco monopoly, announcing it was inviting applications for a group of core investors which will hold 25 per cent of the company's shares.

Mr Edmond Alphandery, the economy minister, said the announcement did not pre-empt the timing for the privatisation of the company, valued at between FF5bn and FF6bn (\$945m-\$1.1bn).

Industry observers inter-

preted the move as a signal that privatisation was imminent and Seita had jumped ahead of Assurances Générales de France in the privatisation queue.

Under the terms of the so-called *royal dur* of stable investors, applicants have two weeks to make their offers to invest.

They must apply for stakes of between 1-10 per cent of the shares in the tobacco company. The government is expected to retain 10 per cent of the shares, with a further tranche reserved for employees and tobaccoists.

Foreign tobacco companies will not be allowed to take stakes in the *royal dur*, reflecting the sensitivity of Seita's sale. The company owns several well-known brands - notably Gauloises and Gitanes - regarded by many as a part of French culture.

Likely candidates include Bolloré Technologies, the diversified industrial group with interests in tobacco, and the banks, Société Générale and Crédit Commercial de France.

The group of core investors will pay a premium of 2 per cent on the price paid

by institutional investors.

They must hold their shares for 34 months, apart from the possibility of selling up to 20 per cent of their shares to other core investors after three months and up to half of their stake after one year. After two years, external sales are possible, subject to a series of rules and pre-emption rights.

Seita, which has a workforce of about 6,200 people, has said that it achieved healthy growth in profits and sales in 1994. The company estimates that net profit last year rose by about 14 per cent to FF670m on sales of more than FF15bn.

**MARGINED FOREIGN EXCHANGE TRADING**  
Fast, Competitive Quotes 24 Hours  
Tel: +44 71 815 0407  
Fax: +44 71 329 3919

**INVESTORS - TRADERS - CORPORATE TREASURERS**  
**SATQUOTE™** - Your single service for real time quotes.  
Futures \* Options \* Stocks \* Forex \* News \* Via Satellite  
LONDON +44 71 329 3377 NEW YORK +212 269 086 FRANKFURT +49 69 448971

**FUTURES & OPTIONS**  
**TRADEWIS**  
FOR ALL EXCHANGES  
A COMPETITIVE SERVICE

**FOR TRADERS ON THE MOVE**  
Watch the markets move with the screen in your pocket that receives  
Currency, Futures, Indices and News updates 24 hours a day. For your 7 day  
free trial, call Futures Pager Ltd on 071-895 9400 now.

**TAX-FREE SPECULATION IN FUTURES**  
To obtain your free guide to how your Financial Weekender can help  
you, call Michael Murray or Ian Jenkins on 071-428 7233 or write  
to us at L2, Indes Pte, 1 Warwick Road, London SW1E 5ER

**GMS FutureView**  
A subsidiary of the LCE  
Real-time products coverage of Futures/Options prices. Soft, Agricultural,  
Financial, Energy, Metals, FX, News, Charting, PC Windows system combining  
this with the LCE's extensive database, in one value for money package. Available in  
the UK and Europe via satellite.

**Market-Eye**  
Financial information direct  
to your PC screen  
**FREEPHONE 0800 321 321**

**Currency or Bond Fax - FREE 2 week trial**  
also daily gold and silver faxes  
Tel: 0171-734 7172  
Fax: 0171-439 4956

**THE FOREIGN EXCHANGE**  
CONCURRENCY MANAGEMENT  
CORPORATION PLC  
11 Old Jew  
London EC2R 8DU  
Tel: 071-865 0800  
Fax: 071-972 0970

**TREND ANALYSIS LTD**  
Daily Analysis & Trading Recommendations by Fax  
**FOREX • METALS • BONDS • COMMODITIES**  
Phone 01962 677764  
Fax 01424 774067

**APPOINTMENTS ADVERTISING**  
UK edition every Wednesday & Thursday and in  
the international edition every Friday  
For further information please call:  
01962 677764  
01424 774067

**THE AETNA INTERNATIONAL UMBRELLA FUND**  
Société d'investissement à capital variable  
47, Boulevard Royal, L-2449 Luxembourg  
R.C. Luxembourg No. B 22471

**CONSENT RESOLUTION OF BOARD OF DIRECTORS**  
The undersigned, being all of the Directors holding office as at December 31, 1994 of  
THE AETNA INTERNATIONAL UMBRELLA FUND, formed under the laws of Luxembourg,  
RESOLVED: To declare into an dividend rates, for 1994 in the case of the Growth and Income  
& Growth Funds and for the fourth quarter of 1994 in the case of the Bond and Reserve  
Funds, for each sub-fund with an ex-dividend date of January 3, 1995 and a payment date of  
January 10, 1995, as follows:-

	Dividend per share (expressed in units of the relevant sub-fund base currency)	Cash \$	Cash £
LF01 American Equity Fund	0.0000	0.0000	0.0000
LF02 Asian Equity Fund	0.0000	0.0000	0.0000
LF03 Australian Equity Fund	0.1196	0.0547	0.0547
LF04 European Equity Fund	0.0000	0.0000	0.0000
LF05 Japanese Equity Fund	0.0000	0.0000	0.0000
LF06 UK Equity Fund	0.1278	0.0887	0.0887
LF07 American Income & Growth Fund	0.1525	0.0895	0.0895
LF08 European Income & Growth Fund	0.0899	0.0311	0.0311
LF09 Latin American Income & Growth Fund	0.2384	0.1843	0.1843
LF10 Pacific Basin Income & Growth Fund	0.0000	0.0000	0.0000
LF11 UK Income & Growth Fund	0.2236	0.1516	0.1516
LF12 Australian Dollar Bond Fund	0.0868	0.0743	0.0743
LF13 Canadian Dollar Bond Fund	0.0829	0.0689	0.0689
LF14 Deutschemark Bond Fund	0.0645	0.0450	0.0450
LF15 Managed European Bond Fund	0.0511	0.0470	0.0470
LF16 Sterling Bond Fund	0.0765	0.0615	0.0615
LF17 US Dollar Bond Fund	0.0926	0.0893	0.0893
LF18 Australian Dollar Reserve Fund	3.6728	2.4846	2.4846
LF19 Deutschemark Liquid Reserve Fund	0.0489	0.0400	0.0400
LF20 Sterling Liquid Reserve Fund	0.0523	n/a	n/a
LF21 US Dollar Reserve Fund	0.0465	0.0255	0.0255
LF22 Ten Liquid Reserve Fund	5.2150	n/a	n/a

Dated as of December 31, 1994  
Gary G. Benarney, Chairman of the Board; Ralph Appadoo, Director; Daniel P. Kearney,  
Director; Patrick L. McEachern, Director; Patrick Sun Cheong Poon, Director.

**Notice of Adjustment to Conversion Price**

**Kinpo Electronics, Inc.**  
(Incorporated as a Company Ltd by shares in Taiwan, R.O.C.)  
(the "Company")

**U.S. \$44,000,000**  
**3% Bonds due 2001**

Notice is hereby given to holders of the Bonds, that following the  
rights issue for cash at NT\$38 per share of 15,000,000 shares by the  
Company, the conversion price of the Bonds has, in accordance  
with the indenture dated July 21, 1994, been adjusted from  
NT\$65.04 to NT\$63.03 with effect from January 12, 1995.

The Chase Manhattan Bank, N.A.  
for and on behalf of  
Kinpo Electronics, Inc.

January 14, 1995

**The Financial Times plans to publish a survey on Housing Associations on Wednesday, February 15**

The topics covered within this survey will include:

- Public/Private finance initiatives
- Innovative funding mechanisms
- The Housing Corporation and its regulatory role
- How the house builders view future potential
- An examination of corporate governance
- The growth in quality of associations' management teams and how they function

With an increasing emphasis on business professionals having direct involvement on the committees of Housing Associations, the Financial Times and its high concentration of business decision makers and opinion forming readers offers a genuine stage for debating this sector's key issues.

If you would like to advertise in this edition and receive a synopsis of the survey, please contact:

Alan Cunningham  
Tel: (071) 873 3206 Fax: (071) 873 3078  
FT Surveys

**INDIA BUSINESS INTELLIGENCE**

RELIABLE.  
AUTHORITATIVE. INFORMATIVE.  
INDIA BUSINESS INTELLIGENCE.  
THE NEW TWICE-MONTHLY  
NEWSLETTER FROM  
THE FINANCIAL TIMES  
COVERING INDIA'S ECONOMY.  
COMMERCE AND POLITICS  
FOR THE INTERNATIONAL  
BUSINESS COMMUNITY.

"India is widely regarded as the emerging market of the 1990s"  
Financial Times 26.10.93

Recent free market reforms and a burgeoning internal market are offering increasingly profitable business opportunities for foreign investors in India.

FT India Business Intelligence explores and explains the country's rapid development, identifying new business opportunities and advising on overcoming problems.

Backed by the resources of the Financial Times, each issue offers:

- On-the-spot news from local correspondents
- Incisive analysis of topical events
- Reliable statistics and authoritative comment
- An insider's view of internal competition
- Coverage of emerging capital and money markets
- Status reports on relations with key trading partners
- Special industry sector surveys
- Essential business data and trends

FT India Business Intelligence helps you to go behind and beyond the news - and stay ahead of the competition.

For a FREE SAMPLE COPY of FT India Business Intelligence and details of how to subscribe, just complete and return the form below by post or fax.

YES, please send me a free sample copy of FT India Business Intelligence and subscription details.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Company \_\_\_\_\_  
Line of Business \_\_\_\_\_  
Address \_\_\_\_\_  
Postcode \_\_\_\_\_  
Tel \_\_\_\_\_ Fax \_\_\_\_\_

Post to: FT India Business Intelligence, Financial Times Newsletters, PO Box 3651, London SW12 8PH, England.  
Or, for immediate despatch, fax completed form to: +44 (0) 81 673 1335.

Registered Office: FT Business Enterprises, Number One Southwark Bridge, London SE1 9HL, England. Registered Number: 980896





Eddie George and Kenneth Clarke (background right): will they raise the base rate next month?

London

## Tragedy of 13th spear-carrier

Philip Coggan seeks hopeful signs in a glum week

The UK financial markets rarely get a starring role on the world stage, and when they do, they are usually cast in a villainous role.

The recent market turmoil has left the UK well offstage, languishing in the bit part of 13th spear-carrier. Latin American currencies, fringe European currencies, these are the markets which are getting all the best lines.

It could be seen as a relief, however, that in a period in which the dominant theme appears to be avoidance of risk, the UK is not ranked among the basket cases. On the other hand, it is a nice historical irony that just as the British prime minister is announcing celebrations for the 50th anniversary of the end of the second world war, investors are rushing for the safe havens of the D-Mark and the yen.

In London, this week, shares trickled steadily downwards, until once again Friday provided a boost. The FT-SE 100 index closed yesterday at 3048.3, a 0.5 per cent decline on the week, leaving it 17 points below its end-December level.

As the inset on the graph is designed to show, investors have had a pretty lean time far this year. The line shows the cumulative difference between the number of advancing and declining stocks on each trading day; for example, on Tuesday, January 3, there were 495 stocks up and 516 stocks down, a balance of minus 21.

The advance-decline index allows investors to check whether the health of the market's leading index, which is normally limited to a small number of stocks - is being confirmed by the rest of the market. If it is not, that may be a sign of future trouble for the larger stocks.

So far this year, the advance-decline line has gone steadily downhill, indicating perhaps that the FT-SE 100 has further to fall in the short term. (The calculations are based on the FT's share service pages; it avoids shares listed under "Americans", "Canadians" and

"South Africans" but includes investment trusts, which could exaggerate the trend.)

This general market weakness is confirmed by the broadly-based FT-SE All-Share index, which ended the week at 1,511.59, for a 0.6 per cent decline since the start of the year.

A further sign of market malaise is the daily number of stocks making new high and new lows, which can be found on the UK stock market page. This figure is distorted. It is based on the period from January 1994, since last year was bad for the UK market, lows will inevitably predominate. If the market was showing signs of a rally, the number of new highs would be starting to increase, and new lows to diminish. In fact, new lows reached 149 on Wednesday this week, while new highs have been languishing in the 20s.

Another bad sign was that two of the Footsie's worst performers this week came from stocks - the Rank Organisation and TSB - which announced their results and a third fall came at Sears, which made a statement about Christmas trading.

To be fair, the Rank fall was largely due to what was perceived as the poor price it received for selling part of its stake in Rank Xerox. And part of the TSB decline was due to the attack made by Labour last weekend on the size of bank profits.

Nevertheless, it is not an encouraging sign for the year that the first corporate announcements are leading to price falls, and it may be an early indication of disappointment to come.

Outside the Footsie, one of the worst performers was Saatchi & Saatchi, which lost more than a quarter of its value this week as several top executives followed the eponymous founder Maurice out of the advertising group.

The plunge was a disappointment for all those who believe that institutional shareholders should take a more active role

in UK corporate governance. It was shareholders' objections to a share option package which helped push Maurice Saatchi out of the company, but so far the campaigning institutions have only heavy losses for their trouble.

The moral of the story may be: if you are invested in a people company and do not like the people, sell the shares, do not get sucked into the office politics.

A good advertising executive can always find a silver lining in any cloud so this column will end with a burst of sunshine.

Starting off with dividends, a trawl through the FT's company news page shows that, over the week, 27 companies increased their payouts, 15 maintained them and there was just one cut. Using the calculation described in last Saturday's column, the result is a "dividend health index" of 80.5 per cent, down from last week's 71.4 per cent but still pretty buoyant.

There was also a glimmer of hope on the interest rate front this week. In the perverse world of financial markets, bad news for the general population is usually seen as good news for financial assets. Accordingly, a fall in November's manufacturing output was seen as an indication that Kenneth Clarke, the chancellor of the exchequer, and Eddie George, the governor of the Bank of England, would decide against a further base rate rise when they meet early next month.

And yesterday's rally in the Footsie came on the back of weak US retail sales numbers which raised hopes that the Federal Reserve's next interest rate increase could be limited to half a percentage point, rather than three-quarters of a point.

Just as low interest rates proved the spur to the market in 1993, and rising rates set back share prices in 1994, the time when investors spot the peak in the US and UK interest rate cycles is likely to prove the decisive moment for the stock market in 1995.

## Mexico's black hole swallows US profits

Richard Waters reports on a week that has brought continuing gloom to companies

Imagine if a hole in the ground had opened up and swallowed a large chunk of the city of Los Angeles. That, in rough terms, is what has happened for US companies and their shareholders in recent weeks with the annihilation of the Mexican peso on the foreign exchanges.

A large part of the profits earned by US companies south of the border has simply evaporated. Assets owned in Mexico have plunged in value by more than a third, in line with the peso, and a once-promising export market for US manufacturers is facing recession.

The effects of Mexico's financial crisis reverberated around the US stock market last week as traders searched out those US companies which would be hurt most. But there were broader ramifications from the crisis that served to dent US share prices generally. Faced with a massive withdrawal of foreign capital, Mexico agreed the outline of a second emergency credit line from the US (the \$18bn plan announced less than a fortnight ago already looks too small).

The willingness of the US to pump more dollars into the system - and a fear that the Federal Reserve would delay another US interest rate rise, which had been expected for the end of this month - rallied investors outside the US and sent the dollar down. That, in turn, hurt the US bond and stock markets.

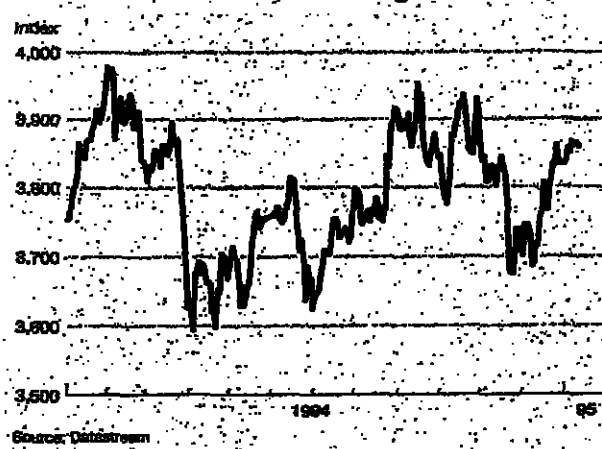
The search for Mexico-sensitive stocks focused first on those companies where earnings will be harmed by a weaker peso over the short term. Those which have warned already of damage to their earnings include Mattel, a toy-maker, Kimberly-Clark, a consumer products company, and Federal-Mogul, which manufactures car parts. Mattel is owed pesos from export sales it made to Mexico during the peak pre-Christmas season. Translating these back into dollars now will yield \$20m less than it would have before the devaluation.

Kimberly-Clark, on the other hand, said it would take a \$20m charge to cover currency losses at its 43 per cent-owned Mexican affiliate. The company, with earnings in pesos, has borrowings in dollars. Federal-Mogul, meanwhile, said its profits will slow sharply as a result of the devaluation. Its shares dropped by nearly 30 per cent on the warning, to \$1.65, before rebounding to \$1.95 by midday yesterday.

Of course, exporters the world over live constantly with the threat of sharp currency swings: many hedge against it, or invoice sales in their own currency, to protect earnings. Many US exporters to Mexico (including General Electric) say they took steps to guard against a weakening peso and should show no short-term damage. The longer-term harm is less

Wall Street

Dow Jones Industrial Average



Source: DataStream

easy to avoid. Put in simple terms, Mexico's national income last year amounted to around \$4.32 for every man, woman and child in the country. According to Baring Securities, that will drop to only \$3.109 next year - which means far fewer dollars to buy US cars or toys.

Take the car-makers. Last year, sales of vehicles in Mexico reached 600,000, equivalent to only around 4 per cent of sales in the US. But Detroit had expected this figure to climb steadily to reach as many as 1m by the turn of the century. That has encouraged US (and Japanese) manufacturers both to expand assembly plants in Mexico and to export

more completed vehicles. With the peso devaluation, however, profit margins on even locally produced cars have disappeared (the cost of parts shipped from the US and paid for in dollars, accounts for a large part of the total cost).

Increasing the nervousness of US investors has been the fear that the currency damage will not be limited to Mexico but will spread to other Latin American markets, notably Argentina. A wider currency crisis could hurt economic growth across the region as a whole, increasing the damage.

The biggest banks in the US were among the hardest hit by this prospect. But the chances of the early-1980s region-wide

default on foreign debt being repeated remains remote, and bank exposures are lower than they were. Citicorp has the largest exposure, with dollar loans worth \$8.2bn to Mexico, Argentina and Brazil.

A Latin American downturn, however, would hurt the profits earned by banks like J.P. Morgan and Bankers Trust from trading in the financial markets. Citicorp, which is unique among big US banks in having retained a wide-ranging network of offices around the world, earns a large part of its profits from consumer banking in emerging markets, and so could be affected more than most.

The bank's shares rebounded somewhat yesterday morning after taking a pounding earlier in the week.

Citicorp had fallen around 8 per cent from the previous week, to \$38.75, despite announcing record 1994 earnings. It had bounced back to \$39.75 by yesterday morning.

Shares in J.P. Morgan, which also reported better 1994 figures than had been expected, failed to get back to the previous week's levels, despite a \$1 bounce yesterday morning, to \$67.75.

Dow Jones Ind Average		
Monday	3,867.35	-0.08
Tuesday	3,866.74	-0.16
Wednesday	3,862.08	-0.12
Thursday	3,869.00	-0.03
Friday		

Art Market

## Some hefty blows of the hammer

Antony Thorncroft on the week's strange ups and downs in the salerooms

This has been a topsy-turvy week for the fine art salerooms. In London on Wednesday

Christie's was rapped over the knuckles in the High Court for cataloguing a painting as the work of Egon Schiele when it had been 94 per cent overpriced by another hand, while in New York on Thursday it sold a ballet costume for \$61,750 (\$23,250).

It was not any old costume. It was the one worn by Rudolf Nureyev at Covent Garden in 1957 when partnering Dame Margot Fonteyn for the first time, in *Ozella*. Christie's had totally underestimated the fanaticism of balletomanes, and valued the costume at a mere \$4,000.

Everything associated with the great dancer leapt skywards. A pair of pale pink slippers, expected to make \$80, were bid up by besotted fans to \$9,200 (\$3,912). All told, the contents of his working wardrobe made \$695,900 (\$247,177). Naturally, everything sold by value.

There was not quite the same excitement yesterday when the furniture Nureyev bought in the late 1980s to furnish his New York apartment was sold. The painting by

Reynolds of George Townshend, Lord de Ferrars, which dominated his salon, made \$772,500 (\$491,412). Still, it almost doubled the estimate and almost matched the \$850,000 that Nureyev paid for it at the peak of the art market in 1987. The best painting in his collection, a scene from *Paradise Lost* by the 18th century British artist Fuseli, realised \$761,500 (\$494,414), well below the \$1.16m it cost the dancer in 1988.

It cost Christie's \$700,000 to repay, with legal expenses, the hapless buyer of the suspect Schiele. But Mr Justice Morison reluctantly accepted the auction house's rigorous "conditions of sale" in its catalogue so there may be no lasting damage. And there was consolation, and more, at the New York auctions.

Christie's sale of Old Master paintings on Wednesday brought in \$16.1m (\$10.32m), its highest US total in this sector for years. It was more than 80 per cent above by value. But while the market has much improved it cannot be taken for granted. The star lot, a luscious 18th century view of Venice by the young Guardi, got nowhere near its \$3.5m

high estimate, and was unsold. This was a hefty blow for Christie's. The Guardi came from the collection of the Corning Glass heiress, Miss Alice Tully, and to secure the property in competition with Sotheby's, Christie's had offered her executors a reputed \$25m for the collection.

**Christie's had totally underestimated the fanaticism of balletomanes**

Most of her other paintings sold, however, with a Canaletto Venetian view just reaching its target at \$2m.

The general sale also produced a brace of significant artist record prices: the \$2m (\$1.27m) paid for a cory scene of peasants in a cottage by the 17th century Dutch painter van Ostade, and \$1.4m (\$918,270) for a flower painting by Bosch. With many new, private buyers the Old Master market is generally stronger.

Sotheby's, too, had sunshine and showers in New York this week. Of the three most expensive, \$1m-plus, objects it was offering, two - from the Cyril Humphris collection - were unsold, and the third went well below estimate. Apart from that, it too, had a good start to the year.

In theory the most valuable antique under the hammer was a "birth plate" ordered by Piero de Medici to celebrate the birth of the son who grew into Lorenzo, Il Magnifico. It was expected to reach \$2m but sold for only \$2.2m. It was bought by the London dealer Rainer Zeitz who raved over his purchase: "It is so condensed in its power; like atomic energy." He then offered to sell it to the Metropolitan Museum in New York, to keep it in the US.

The plate had been sold by the New York Historical Society, which, typical of American museums (and unlike their British counterparts) has no qualms about selling off stored bequests to finance new ventures. The Society is now \$12.2m (\$7.8m) richer, for virtually all the 180 paintings found buyers. Sotheby's was also happy

with the general Old Master sale which followed. It brought in another \$11.2m (\$7.2m) and was 92 per cent sold by value. Perhaps the most intriguing item was a copy of Leonardo's Mona Lisa painted by a 16th century contemporary of the artist. Sotheby's expected \$100,000; it sold for \$552,500.

But there is a built-in uncertainty at auctions, especially in these topsy-turvy times. The London dealer Cyril Humphris attempted to provide a nest-egg for his old age by selling off more than 300 antiques from his private collection of sculptures and European works of art, including stock, on Tuesday and Wednesday. It did not go according to plan.

He ended the session more than \$5m richer, but the two most important objects, a life-size statue of Adonis by Bandini and two bronze plaques attributed to Ammannati, which were expected to raise well over \$2m between them, failed to sell. This is specialist stuff, aimed at connoisseur collectors and other dealers. But many objects were not "fresh" to the market; others had arguable provenances. Auctions are not for the faint hearted.



Barry Riley

## Good neighbours, bad currencies

Dollar bulls were disappointed in 1994. Will this be their year?

Suddenly, at the start of the year, everybody was bullish about the dollar again. Nothing new there: the bulls were also in the ascendant a year ago, reckoning that a strong dollar was a cast-iron certainty for 1994. But they were disappointed. The dollar fell by 11 per cent against the yen and by 12 per cent against the Swiss franc. What are the dollar bulls' chances of better fortune in 1995?

The American currency has a large constituency of supporters. There are a lot of dollars in the world, and everybody who owns them would like them to rise in value. Also, the laws of economics do not work on the basis of wish fulfilment. Only things that are scarce rise in price. Commodities that are in abundance become cheaper.

We have had a lesson in such foreign exchange market theory within the past few days. The US Federal Reserve decided to support the ailing Mexican peso, which has fallen by 40 per cent against the dollar since just before Christmas. Essentially, the Fed will buy pesos in exchange for dollars and will write blank cheques to guarantee Mexican government debts. The supply of dollars will increase; the support could be worth anything up to \$40bn. The dollar has promptly fallen

against harder currencies such as the D-Mark and the Swiss franc.

This is only a minor problem for the dollar, but it has been translated into a genuine crisis for the high-risk European currencies such as the Spanish peseta, the Italian lira and the Swedish krona. They are all being undermined by combinations of fiscal imprudence and political instability.

Incidentally, proper praise should be given here for the British government's tough programme to restore credibility to sterling. Little more than two years ago, the pound was being dragged down with the same group of second-grade European currencies. The pound is still not regarded positively as a safe haven, but at least it is floating clear of trouble.

Since the disasters of September 1992, sterling has held fairly steady against the D-Mark and the French franc, but it has appreciated by almost 20 per cent against both the lira and the peseta. The government has gone a long way towards getting the budget deficit under control - something that the Swedish government, which published some scary budget projections this Wednesday, has failed to do.

The British government's tough stance on taxing and spending is, however, getting it into political trouble, which

could yet provide the other ingredient for a financial confidence crisis. But, for the time being, the markets have got plenty of political tension elsewhere to worry about.

Italy, for instance, still has no government - although, arguably, Italy does better without one. The dollar also faces a politically uncertain two years as President Bill Clinton

**The laws of economics do not work on the basis of wish fulfilment**

squares up to a hostile Republican Congress. There is a lot of Republican talk about a statutory commitment to balance the budget by the year 2009 and introducing a specific inflation target. But those aims combine awkwardly with proposals for tax cuts, partly endorsed by the beleaguered Democratic administration.

Some of the factors that have led to a gentle, long-run downturn for the dollar remain in evidence. The US continues to consume too much, and save and invest too little, to hope to maintain anything approaching an external financial balance.

The current account deficit may rise from \$150bn to \$170bn this year, a growing torrent of dollars for foreign buyers to absorb.

Other factors have changed, though. Dollar interest rates, both short and long, have risen sharply. The seven-day rate on dollars, for instance, at just over 5 1/2 per cent, is now higher than on yen, Swiss francs and D-Marks. Moreover, everybody expects dollar rates to rise significantly further this year, and although the rate on D-Marks might rise, too, it will not go up so soon or so far. That is positive for the dollar.

Then there are portfolio flows. In 1993 and early 1994, a massive imbalance developed as pension funds and mutual funds became captivated by the idea of global portfolio diversification and sent capital abroad at an annual rate of anything up to \$120bn. Meanwhile, Japanese buyers of US Treasury bonds lost heart because of massive currency losses as the yen soared, and European investors in US equities decided that Wall Street had become over-priced.

The prospect for 1995, however, is that many US investors with global portfolios (mutual funds, anyway) will dash back home, mostly because of losses in emerging markets. The value of Mexican stocks in dollars, for instance, is down 55 per

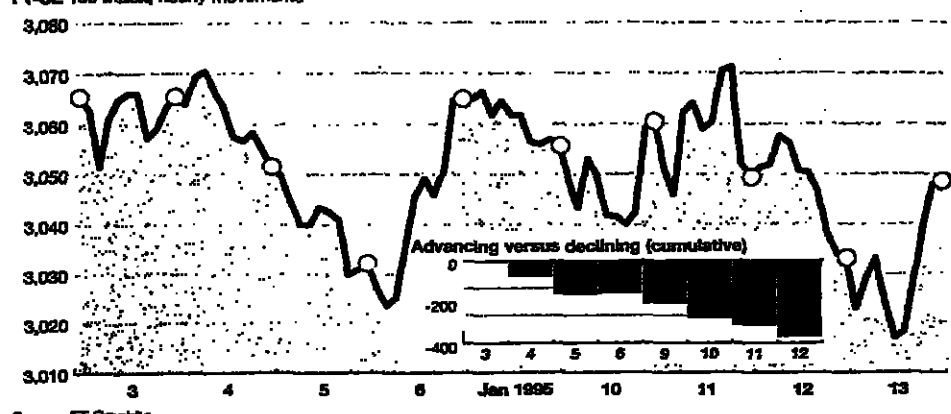
cent over the past year, while the losses in Hong Kong have been 40 per cent.

The tantalising possibility that Japanese investors will once again become tempted by US Treasury bonds yielding around 8 per cent, given that the currency risk has surely become negligible when the yen seems so enormously over-priced against the dollar - by nearly 80 per cent on a purchasing power parity basis, according to NatWest Markets.

Yet, there are some contradictions in these arguments. The Mexican problems may cause the Fed to defer its interest rate rises: inflation, after all, is still not showing any signs of accelerating. Other Latin American countries, such as Argentina, cling to the dollar for support, as Mexico did, and would be embarrassed if it became strong. Canada, too, is struggling to cope with higher US dollar interest rates. The Bundesbank did not mind busting apart the European exchange rate mechanism in 1992, but the Fed will not wish to break up the newly-formed North American Free Trade Agreement. That is one good reason why the D-Mark still looks likely to hold up against the dollar. But the dollar stands a better chance against the seriously over-valued yen in 1995.

### Stocks in a decline

FT-SE 100 Index, hourly movements



Source: FT Graphite

### Highlights of the week

	Price y/day	Change on week	1994/95 High	1994/95 Low	
FT-SE 100 Index	3048.3	-16.7	3520.3	2876.6	Currency worries
FT-SE Mid 250 Index	3465.3	-14.3	4152.8	3363.4	Lack of support
Arqvyl Group	286	+10	315	222 1/2	US presentations
BT	408	+20 1/2	486	353 1/2	British Gas switch
Carlsberg Schweppes	414	-19	545	392	Dr Pepper bid talk
Delta	476	+19	586	430	Broker's tip
SEC	299	+18 1/2	353 1/2	259	Safe-haven buying
Goode Durrant	229	+21	222	125	Strong results
Great Metropolitan	384	-11 1/2	506	374	£1.7bn acquisition
Kershaw (A)	1263	+368	1296	730	Bid hopes
Rank Org	374	-40	447 1/2	355 1/2	Sale of Xerox stake
Redland	442	-25	640	425 1/2	Profits downgrade
Simon Engineering	74	-12	130 1/2	74	Extra provisions
TSB	223	-14	291	197	Following results
Wab Group	250	-40	354 1/2	244	Pump reorganisation



## WORLD STOCK MARKETS

## AMERICA

## Mexico, Brazil rally again, Dow up

## Mexico

Equities rallied as the peso made a further recovery against the US dollar. The IPC index was up 67.88 or 2.7 per cent at 2,176.50 by mid-session.

Goldman Sachs, the US investment bank, was understood to have added its voice to those analysts who have predicted that the financial crisis in Latin America has now reached its nadir. Goldman's forecast that the peso would appreciate to 5 pesos to the dollar, and that the stock market would rally moderately in the short-term.

## Brazil

Shares in São Paulo were up 4.2 per cent by 1 pm as positive

## EUROPE

## Milan recovers after Scalfaro chooses Dini

Weaker than expected US retail sales, and the choice of Mr Lamberto Dini to form a new Italian government were key factors in Europe, writes our Markets Staff.

MILAN saw new lows for the lira in the morning, and a recovery in the afternoon after the Italian President, Mr Oscar Luigi Scalfaro, asked Mr Dini to call. Equities responded with the Comit index rising 9.76 to 834.65 for a fall of 1.5 per cent on the week.

Mr Dini, treasury minister in the government of outgoing Prime Minister Silvio Berlusconi, is a former No 2 at the Bank of Italy, said Mr James Cornish, a strategist at NatWest Securities, he was viewed as a non-political appointment, not being a member of Mr Berlusconi's Forza Italia.

In the enthusiasm, Credito

sentiment prevailed after the US said that it would set up an aid package to help Mexico resolve its financial crisis.

The Bovespa index was up 1,602 at 40,008. Among the main gainers Telebras preferred was up 4 per cent and Petrosbras nearly 3 per cent.

● In Argentina the Merval index was up 3.4 per cent in early trading at 449.23.

## Wall Street

US share prices pushed higher yesterday as bonds surged and the dollar made modest gains against the D-Mark, writes Lisa Branstetter in New York.

By 1 pm, the Dow Jones Industrial Average was up 25.23 at 3,894.23. The more broadly traded Standard & Poor's 500 gained 2.38 at 464.02.

The American Stock Exchange composite climbed 0.29 to 435.13 and the Nasdaq composite rose 2.62 at 769.13. Trading volume on the NYSE came to 188m shares.

The bond market surged after the commerce department reported that retail sales for December declined 0.1 per cent, rather than the 0.7 per cent increase most economists expected. Excluding cars, December sales were flat as opposed to forecasts of an increase of 0.5 per cent. The overall decrease marks the first drop in sales since April, and left some economists questioning their assumptions about an upturn in consumption.

In early afternoon trading, the 30-year Treasury bond was up nearly a full point at 96 1/8.

Neither yesterday's data nor the weaker-than-expected consumer price figures released last Wednesday swayed most economists from their assumption that the Fed would lift interest rates again at its January 31 meeting.

The sales figures also helped the dollar push slightly higher against the D-Mark. By early afternoon the dollar was trading at DM1.534 but it lost ground against the Japanese yen, falling to ¥98.55 from ¥98.61.

Most major retailers fell after the release of the weak sales figures. Sears Roebuck fell 3/4 at \$47.94, J.C. Penney fell 1/4 at \$41.79, Ann Taylor dropped 3/4 at \$33.40 and Kmart was down 3/4 at \$13.94.

Advanced Micro Devices, up more than 10 per cent on

Thursday, lost some ground yesterday after announcing that it would take a \$58m charge against earnings to settle its suit with Intel. Most analysts believed that the chip maker, down 3/4 at \$31.75, should benefit from the settlement agreement because it allowed the company to continue manufacturing clones of two Intel chips.

## Canada

Toronto stocks tumbled further in busy midday trading, dealers blaming the date, Friday the thirteenth, and pejorative comments about Canada in the Wall Street Journal as the TSX 300 composite index fell 27.12 to 4,125.61 in turnover of 31.96m shares worth C\$401.63m.

## Madrid badly bemused by political confusion

Tom Burns poses questions for the Spanish market

There are two immediate, inter-related, questions that analysts of Spain's markets are asking themselves and neither can be answered easily.

Will the domestic equity and bond markets fall further, and when will be the right moment to come back into Spain?

"The truth is that nobody has a sensible strategy on Spain right now," says a senior economist at a big London securities house.

Spain is a steal, say some. Now is the time to buy. Hold off Spain, say others. It is going to be weak for a good time yet.

"There are bargain basement equity prices," says Mr Jaime de Pinillos, head of research at Santander Investment. "Fixed income at 12 per cent plus, and at today's exchange rate, is extremely cheap."

There is far too much uncertainty, says Mr Paul Farrow of Abnro Corporación Financiera, the securities house of a group of domestic savings banks, "and 1995 could be a last year for the markets."

If the analysts were solely examining economic fundamentals, their task might be easier. Spain's economy is clearly recovering and the most notable of a clutch of indicators to that effect was a fall in registered unemployment.

But the problem for the analysts is that they are looking at a highly fluid political situation which is hopelessly confusing the possibility of a sober analysis. "Spain," says a London bond dealer, "is surreal right now."

Accepted patterns about how a country should be looked at are of little use. The norm is that markets like a government in place, backed by a parliamentary majority, delivering policies that are aimed at removing structural rigidities and lowering the deficit. And that is what is happening in Madrid.

The political situation in Spain has become convoluted. Every time Prime Minister Mr Felipe González says that he intends to carry on in power in

order to see economic recovery safely through, the Bolsa's general index falls, bonds yields rise and the peseta weakens further.

Beleaguered by a string of political scandals, Mr González is fighting back and the markets are paying for this. "There is a very distinct nervousness that González is going to go on and on," says Ms Monica Morales, a senior Madrid

analyst. "The peseta has dropped from 163 to 165, but this was a function of lower earnings forecasts."

A decision by the Bank of Spain on January 4 to raise its key money rate from 7.35 per cent to 8 per cent, citing inflationary pressures in the months ahead due to 1995 tax increases, surprised the markets and unsettled them further. The timing could not, in the event, have been worse, for what had been intended as a pre-emptive strike against future price pressures was viewed as defensive action to ward off currency instability.

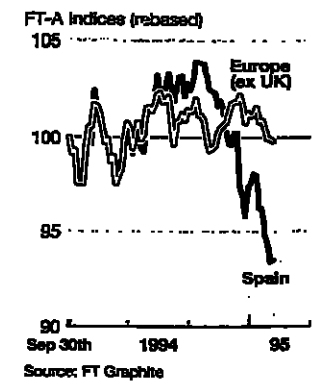
As a result the peseta, which was already weakening last month, has come now under very strong speculative pressure. Just days after the rate rise, the Bank of Spain was forced to intervene in order to protect the currency.

The peseta has dropped from Ptas83 to the D-Mark at the beginning of December to Ptas87, a depreciation equal to the Ptas4 that separates the currency from its Ptas1 floor in the exchange rate mechanism of the European Monetary System. Intervention last Tuesday pulled the rate back to Ptas88.

The most worrying feature of Spain's highly volatile markets is that hedge funds are said to be building up for an assault on the Spanish currency. As the rate rises and the intervention has whetted speculators' appetites.

Until the political situation changes, and speculation abates, the problem over equity strategy will remain in place.

The equity market slump was on before Spain was hit by



Source: FT Graphite

trader at Société Générale's broking unit in Spain.

As in Italy, politicians are being hounded by judges, but Spain represents a twist on the Italian situation. "The problem in Italy is that it looks impossible to form a government; in Spain it looks impossible to get rid of one," says Mr Robert Maxwell, managing partner of Madrid brokers Maxwell and Espinosa.

Normally markets do not like the uncertainties that accompany the fall of a government. The sentiment in Spain is the opposite.

Repeated recent statements by Mr González that he has every intention of serving out his full period of office until 1997 have accordingly prompted a slump that has knocked the Bolsa's general index down to a succession of new 1994-95 lows this month. The 10-year bond yield is well over 12 per cent, widening its spread to some 450 points against the German long bond, and halving its gap with Italian bonds to just 50 points.

The equity market slump was on before Spain was hit by

## ASIA PACIFIC

## Manila off 5.6% in volatile region

## Manila

The Philippine peso yesterday became the latest target of the world's foreign exchange dealers. Forex trading in the currency was automatically suspended for two hours as the peso fell 1.75 per cent against the US dollar, breaching a volatility band imposed to prevent sharp fluctuations. After reopening the currency slightly strengthened against the dollar.

The effect on equities was marked, the composite index sliding 5.6 per cent, down 149.43 at 2,482.04. Volume was 4.1m shares worth 2.1m pesos.

PLDT lost 5.5 per cent to 1,205 pesos, Ayala Land slid nearly 9 per cent to 30.50 pesos and Philippine National Bank dropped 7.3 per cent to 285.

## Tokyo

Position adjustment ahead of the three day weekend and profit taking of high-technology stocks depressed share prices and the Nikkei index lost moderate ground, writes Emilio Terazono in Tokyo.

The Nikkei 225 index fell 78.84 to 19,381.17 after a low of 19,265.38 and a high of 19,408.30, off 1 per cent this week. Selling by overseas investors, financial institutions and companies overwhelmed index-linked arbitrage buying.

The Toxpe index of all 1,511.79, while the Nikkei 300 index gave up 2.28 to 278.33. Declines led advances by 69 to

## THE WEEK'S CHANGES

Manila	% Change
Jakarta	-10
Bangkok	-8
Kuala Lumpur	-6
Singapore	-6
Hong Kong	-5
Taipei	-5

245 with 207 unchanged.

In London, the FTSE/Nikkei 50 index rose 0.22 to 1253.47.

Volume swelled to 370m shares against 214m. Traders attributed the activity to options related trading linked to yesterday's settlement for January options contracts.

The rise of the yen to the ¥98 level hit export oriented stocks. Overseas investors sold NEC, which lost ¥20 to ¥1,090, while consumer electronics makers were also weak. Matsushita Electric Industrial retreated ¥20 to ¥1,570.

Car makers were also hit with Toyota Motor down ¥10 to ¥2,070 and Honda Motor declining ¥10 to ¥1,770.

Profit-taking hit Sumitomo Metal Mining, which fell ¥5 to ¥921 and Mitsubishi Chemical, which declined ¥3 to ¥827. Sumitomo Chemical, which met active selling on Thursday, rebounded ¥8 to ¥550.

In Osaka, the OSE average lost 147.26 to 21,055.31 in volume of 69.2m shares.

## Roundup

The other main feature yesterday, aside from renewed currency speculation against the

Indonesian rupiah, the Thai baht and Malaysian and Hong Kong dollars, was a report of a serious deterioration in the health of China's leader, Deng Xiaoping.

Unlike previous reports, the statement was accompanied by confirmation of the leader's illness from his daughter.

Analysts said that this lent credence to the report.

One broker in London said that he did not believe the expected death of Deng Xiaoping had been discounted by the markets, and that a period of instability in China could lead to a considerable sell-off, especially in Hong Kong.

SHANGHAI'S B share index, open to foreign investors, closed at a one-year low after the reports, losing 1.6 per cent to 55.77.

Volume rose to 7.7m shares and shares with ADRs listed in New York were the worst performers.

HONG KONG recouped some of its earlier losses but the Hang Seng index closed off 165.71 or 2.2 per cent at 7,252.34. Turnover grew to HK\$3.66bn from HK\$3.53bn.

As well as the Chinese news, the market was affected by speculation against the Hong Kong dollar, which led to volatile movements in interbank rates during the session to support the currency.

In London trading the indicative index closed up 72 at 7,335.

Among major moves HSBIC tumbled HK\$1 to HK\$77.75 and Hong Kong Telecom lost 35 cents to HK\$13.30.

JAKARTA tumbled in ner-

vous trading following heavy selling pressure from overseas investors, and continued speculation against the rupiah.

The official index fell 2.4 per cent or 10.81 points to 441.87.

BANGKOK lost 1.9 per cent, retreating from more than 5 per cent down earlier in the day as local fund managers shopped for bargains. The SET index lost 24.41 at 1,948.59.

KUALA LUMPUR encountered persistent selling by foreign funds as share prices tumbled across the board.

The composite index fell 16.74 or 1.3 per cent to 888.50.

TAIPEI saw a wave of selling just before the close, and the weighted index fell 27.10, or 0.4 per cent to 5,582.40. Turnover shrank to T\$42.7bn from T\$45.6bn.

SEOUL's composite index shed 2.42 per cent, losing 24.18 to 976.69. Losers overwhelmed gainers by 614 to 168, with 18 stocks falling by the maximum permitted daily limit.

SINGAPORE retreated in thin trading, led by selling in the property sector.

The Straits Times industrial index lost 21.63 to 2,080.73, in turnover of S\$430.5m.

SYDNEY was relatively immune to the shockwave and retreated slightly amid light selling.

The All Ordinaries index lost 3.1 at 1,558.19 in turnover of A\$70m.

BOMBAY also followed its own path, as the BSE index reversed a two week downturn and rose for the first time this year. The index closed up 28.78 at 3,603.66.

THE DOLLAR INDEX

Index	Jan 13	Jan 12	Jan 11	Jan 10	Jan 9	Jan 8	Jan 7	Jan 6	Jan 5	Jan 4	Jan 3	Jan 2	Jan 1	Dec 31	Dec 30	Dec 29	Dec 28	Dec 27	Dec 26	Dec 25	Dec 24	Dec 23	Dec 22	Dec 21	Dec 20	Dec 19	Dec 18	Dec 17	Dec 16	Dec 15	Dec 14	Dec 13	Dec 12	Dec 11	Dec 10	Dec 9	Dec 8	Dec 7	Dec 6	Dec 5	Dec 4	Dec 3	Dec 2	Dec 1	Nov 30	Nov 29	Nov 28	Nov 27	Nov 26	Nov 25	Nov 24	Nov 23	Nov 22	Nov 21	Nov 20	Nov 19	Nov 18	Nov 17	Nov 16	Nov 15	Nov 14	Nov 13	Nov 12	Nov 11	Nov 10	Nov 9	Nov 8	Nov 7	Nov 6	Nov 5	Nov 4	Nov 3	Nov 2	Nov 1	Oct 31	Oct 30	Oct 29	Oct 28	Oct 27	Oct 26	Oct 25	Oct 24	Oct 23	Oct 22	Oct 21	Oct 20	Oct 19	Oct 18	Oct 17	Oct 16	Oct 15	Oct 14	Oct 13	Oct 12	Oct 11	Oct 10	Oct 9	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 3	Oct 2	Oct 1	Sept 30	Sept 29	Sept 28	Sept 27	Sept 26	Sept 25	Sept 24	Sept 23	Sept 22	Sept 21	Sept 20	Sept 19	Sept 18	Sept 17	Sept 16	Sept 15	Sept 14	Sept 13	Sept 12	Sept 11	Sept 10	Sept 9	Sept 8	Sept 7	Sept 6	Sept 5	Sept 4	Sept 3	Sept 2	Sept 1	Aug 31	Aug 30	Aug 29	Aug 28	Aug 27	Aug 26	Aug 25	Aug 24	Aug 23	Aug 22	Aug 21	Aug 20	Aug 19	Aug 18	Aug 17	Aug 16	Aug 15	Aug 14	Aug 13	Aug 12	Aug 11	Aug 10	Aug 9	Aug 8	Aug 7	Aug 6	Aug 5	Aug 4	Aug 3	Aug 2	Aug 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 27	January 26	January 25	January 24	January 23	January 22	January 21	January 20	January 19	January 18	January 17	January 16	January 15	January 14	January 13	January 12	January 11	January 10	January 9	January 8	January 7	January 6	January 5	January 4	January 3	January 2	January 1	December 31	December 30	December 29	December 28	December 27	December 26	December 25	December 24	December 23	December 22	December 21	December 20	December 19	December 18	December 17	December 16	December 15	December 14	December 13	December 12	December 11	December 10	December 9	December 8	December 7	December 6	December 5	December 4	December 3	December 2	December 1	November 30	November 29	November 28	November 27	November 26	November 25	November 24	November 23	November 22	November 21	November 20	November 19	November 18	November 17	November 16	November 15	November 14	November 13	November 12	November 11	November 10	November 9	November 8	November 7	November 6	November 5	November 4	November 3	November 2	November 1	October 31	October 30	October 29	October 28	October 27	October 26	October 25	October 24	October 23	October 22	October 21	October 20	October 19	October 18	October 17	October 16	October 15	October 14	October 13	October 12	October 11	October 10	October 9	October 8	October 7	October 6	October 5	October 4	October 3	October 2	October 1	September 30	September 29	September 28	September 27	September 26	September 25	September 24	September 23	September 22	September 21	September 20	September 19	September 18	September 17	September 16	September 15	September 14	September 13	September 12	September 11	September 10	September 9	September 8	September 7	September 6	September 5	September 4	September 3	September 2	September 1	August 31	August 30	August 29	August 28	August 27	August 26	August 25	August 24	August 23	August 22	August 21	August 20	August 19	August 18	August 17	August 16	August 15	August 14	August 13	August 12	August 11	August 10	August 9	August 8	August 7	August 6	August 5	August 4	August 3	August 2	August 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29
-------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	-----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	-------	-------	-------	-------	-------	-------	-------	-------	-------	----------	----------



ven str

000 001 001 001

1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100	2101	2102	2103	2104	2105	2106	2107	2108	2109	2110	2111	2112	2113	2114	2115	2116	2117	2118	2119	2120	2121	2122	2123	2124	2125	2126	2127	2128	2129	2130	2131	2132	2133	2134	2135	2136	2137	2138	2139	2140	2141	2142	2143	2144	2145	2146	2147	2148	2149	2150	2151	2152	2153	2154	2155	2156	2157	2158	2159	2160	2161	2162	2163	2164	2165	2166	2167	2168	2169	2170	2171	2172	2173	2174	2175	2176	2177	2178	2179	2180	2181	2182	2183	2184	2185	2186	2187	2188	2189	2190	2191	2192	2193	2194	2195	2196	2197	2198	2199	2200	2201	2202	2203	2204	2205	2206	2207	2208	2209	2210	2211	2212	2213	2214	2215	2216	2217	2218	2219	2220	2221	2222	2223	2224	2225	2226	2227	2228	2229	2230	2231	2232	2233	2234	2235	2236	2237	2238	2239	2240	2241	2242	2243	2244	2245	2246	2247	2248	2249	2250	2251	2252	2253	2254	2255	2256	2257	2258	2259	2260	2261	2262	2263	2264	2265	2266	2267	2268	2269	2270	2271	2272	2273	2274	2275	2276	2277	2278	2279	2280	2281	2282	2283	2284	2285	2286	2287	2288	2289	2290	2291	2292	2293	2294	2295	2296	2297	2298	2299	2300	2301	2302	2303	2304	2305	2306	2307	2308	2309	2310	2311	2312	2313	2314	2315	2316	2317	2318	2319	2320	2321	2322	2323	2324	2325	2326	2327	2328	2329	2330	2331	2332	2333	2334	2335	2336	2337	2338	2339	2340	2341	2342	2343	2344	2345	2346	2347	2348	2349	2350	2351	2352	2353	2354	2355	2356	2357	2358	2359	2360	2361	2362	2363	2364	2365	2366	2367	2368	2369	2370	2371	2372	2373	2374	2375	2376	2377	2378	2379	2380	2381	2382	2383	2384	2385	2386	2387	2388	2389	2390	2391	2392	2393	2394	2395	2396	2397	2398	2399	2400	2401	2402	2403	2404	2405	2406	2407	2408	2409	2410	2411	2412	2413	2414	2415	2416	2417	2418	2419	2420	2421	2422	2423	2424	2425	2426	2427	2428	2429	2430	2431	2432	2433	2434	2435	2436	2437	2438	2439	2440	2441	2442	2443	2444	2445	2446	2447	2448	2449	2450	2451	2452	2453	2454	2455	2456	2457	2458	2459	2460	2461	2462	2463	2464	2465	2466	2467	2468	2469	2470	2471	2472	2473	2474	2475	2476	2477	2478	2479	2480	2481	2482	2483	2484	2485	2486	2487	2488	2489	2490	2491	2492	2493	2494	2495	2496	2497	2498	2499	2500	2501	2502	2503	2504	2505	2506	2507	2508	2509	2510	2511	2512	2513	2514	2515	2516	2517	2518	2519	2520	2521	2522	2523	2524	2525	2526	2527	2528	2529	2530	2531	2532	2533	2534	2535	2536	2537	2538	2539	2540	2541	2542	2543	2544	2545	2546	2547	2548	2549	2550	2551	2552	2553	2554	2555	2556	2557	2558	2559	2560	2561	2562	2563	2564	2565	2566	2567	2568	2569	2570	2571	2572	2573	2574	2575	2576	2577	2578	2579	2580	2581	2582	2583	2584	2585	2586	2587	2588	2589	2590	2591	2592	2593	2594	2595	2596	2597	2598	2599	2600	2601	2602	2603	2604	2605	2606	2607	2608	2609	2610	2611	2612	2613	2614	2615	2616	2617	2618	2619	2620	2621	2622	2623	2624	2625	2626	2627	2628	2629	2630	2631	2632	2633	2634	2635	2636	2637	2638	2639	2640	2641	2642	2643	2644	2645	2646	2647	2648	2649	2650	2651	2652	2653	2654	2655	2656	2657	2658	2659	2660	2661	2662	2663	2664	2665	2666	2667	2668	2669	2670	2671	2672	2673	2674	2675	2676	2677	2678	2679	2680	2681	2682	2683	2684	2685	2686	2687	2688	2689	2690	2691	2692	2693	2694	2695	2696	2697	2698	2699	2700	2701	2702	2703	2704	2705	2706	2707	2708	2709	2710	2711	2712	2713	2714	2715	2716	2717	2718	2719	2720	2721	2722	2723	2724	2725	2726	2727	2728	2729	2730	2731	2732	2733	2734	2735	2736	2737	2738	2739	2740	2741	2742	2743	2744	2745	2746	2747	2748	2749	2750	2751	2752	2753	2754	2755	2756	2757	2758	2759	2760	2761	2762	2763	2764	2765	2766	2767	2768	2769	2770	2771	2772	2773	2774	2775	2776	2777	2778	2779	2780	2781	2782	2783	2784	2785	2786	2787	2788	2789	2790	2791	2792	2793	2794	2795	2796	2797	2798	2799	2800	2801	2802	2803	2804	2805	2806	2807	2808	2809	2810	2811	2812	2813	2814	2815	2816	2817	2818	2819	2820	2821	2822	2823	2824	2825	2826	2827	2828	2829	2830	2831	2832	2833	2834	2835	2836	2837	2838	2839	2840	2841	2842	2843	2844	2845	2846	2847	2848	2849	2850	2851	2852	2853	2854	2855	2856	2857	2858	2859	2860	2861	2862	2863	2864	2865	2866	2867	2868	2869	2870	2871	2872	2873	2874	2875	2876	2877	2878	2879	2880	2881	2882	2883	2884	2885	2886	2887	2888	2889	2890	2891	2892	2893	2894	2895	2896	2897	2898	2899	2900	2901	2902	2903	2904	2905	2906	2907	2908	2909	2910	2911	2912	2913	2914	2915	2916	2917	2918	2919	2920	2921	2922	2923	2924	2925	2926	2927	2928	2929	2930	2931	2932	2933	2934	2935	2936	2937	2938	2939	2940	2941	2942	2943	2944	2945	2946	2947	2948	2949	2950	2951	2952	2953	2954	2955	2956	2957	2958	2959	2960	2961	2962	2963	2964	2965	2966	2967	2968	2969	2970	2971	2972	2973	2974	2975	2976	2977	2978	2979	2980	2981	2982	2983	2984	2985	2986	2987	2988	2989	2990	2991	2992	2993	2994	2995	2996	2997	2998	2999	3000
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

\_\_\_\_\_

3	58
2	752
1	791
0	510
1	126
2	176
3	21
4	174
5	30
6	122
7	209
8	643
9	331
0	485
1	383
2	36
3	190
4	139
5	317
6	872
7	14
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
0	1
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	

100

**PULSE**

**Hutchison Telecom**

[illegible]



## CURRENCIES AND MONEY

## MARKETS REPORT

## Yen stronger

The yen emerged as the strongest of the safe haven currencies yesterday as a continued flight to quality left the dollar the least favoured and the D-Mark slightly softer, writes *Motoko Rich* and *James Harding*.

A fall-out in Asian currencies targeted by investors fearing risky markets gave support to the yen. The dollar was undermined by weaker than expected retail sales figures which dampened hopes for a significant interest rate rise at the end of the month.

At the close of London trading the dollar finished at ¥98.5250 from ¥99.0450. Against the D-Mark, it closed at DM1.5377 from DM1.5295. Peripheral currencies in Europe recovered yesterday against the D-Mark, with the Italian lira surging after the appointment of Mr Lamberto Dini, Italian treasury minister, as prime-minister-designate.

Analysts said the repatriation of capital and the flight from risk had caused the "safe" currencies to jostle for position. Mr Tony Norfield, economist at ABN/AMRO, said: "In the past week it has been a competition between all the safe havens and the yen appears to have won out."

Against the D-Mark, the yen was at ¥94.30 in late trading, up from the day's low of ¥94.74.

**Pound in New York**

However, other Asian currencies recently under attack regained some ground. The Thai baht firmed to Bt25.15 against the dollar, from Bt25.625.

A warning from Mr Joseph Yam, chief executive of Hong Kong's Monetary Authority

## Dollar

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £

FFr per DM

DM per \$

Yen per \$

S per £

DM per £



## COMMODITIES AND AGRICULTURE

WEEK IN THE MARKETS  
Profit-taking halts gold rally

Gold's rally faltered yesterday as investment fund buying interest dwindled. Having dipped to a fresh 8-month low of \$371.80 a troy ounce on Monday the price began a tentative recovery that accelerated sharply on Thursday, when it rose \$5.20 to \$377.00 an ounce. Buying then dried up, however, and efforts to consolidate above \$380 failed yesterday as speculators took profits. The price closed at \$379.20, down \$1.90 on the day but still \$3.45 up on the week. Yesterday's reverse could herald another challenge of support at the long-term low, dealers suggested. "If gold can hold above \$380 longer term then it will look quite good," one told the Reuters news agency yesterday morning. After a weak New York opening had put paid to consolidation hopes. "But if not then we may have to have another test down around \$370."

The fall was triggered by a lower-than-expected opening in New York, reflecting a widespread exodus of the investment fund money that had played a big part in the market's recent surge to 4 1/2-year peaks. Traders said the fund selling might have been reinforced by improved expectations for this year's Indian crop.

Coffee fared much better yesterday, though a \$59 rise for the LCE's March robusta futures price still left it \$34 down on the week at \$3,784 a tonne. The market had been firmed earlier in the week by suggestions that Brazil, the world's leading producer might implement an export retention scheme alongside that already being operated by its Central American neighbours. But some dealers were careful not to get too much store by this. "While Brazil could implement a retention scheme with real bite, sceptics use talk of retention to sell as they fear producers may be talking the market up before bringing their coffee to the market," one told Reuters.

The cocoa market's attempt to consolidate above \$1,000 a tonne for the May delivery position was scotched yesterday by a late wave of speculative selling. The price, which had peaked at \$1,070 on Thursday, tumbled to \$974, down \$31 on the day and \$36 on the week. "It was a big wash out probably prompted by the big sell-off in sugar," a trader said.

Nickel's rise to \$9,925 a tonne for the three months delivery position was "worrying", Stephen Briggs of Metals and Minerals Research Services told Reuters. "This market is just getting carried away... people are becoming nervous about the situation in nickel."

"Unlike other LME metals, nickel stocks are not far off their highs," he explained. "There is nearly 150,000 tonnes there, and it is all good quality metal." The nickel price subsequently backtracked to \$9,777.50, up \$382.50 on the week.

At the London Commodity Exchange yesterday the main feature was a sudden plunge in white sugar futures prices. In late trading the May position was at \$395.50 a tonne, down \$18.70 on the day and \$21.80 on the week.

The fall was triggered by a lower-than-expected opening in New York, reflecting a widespread exodus of the investment fund money that had played a big part in the market's recent surge to 4 1/2-year peaks. Traders said the fund selling might have been reinforced by improved expectations for this year's Indian crop.

Coffee fared much better yesterday, though a \$59 rise for the LCE's March robusta futures price still left it \$34 down on the week at \$3,784 a tonne. The market had been firmed earlier in the week by suggestions that Brazil, the world's leading producer might implement an export retention scheme alongside that already being operated by its Central American neighbours. But some dealers were careful not to get too much store by this.

"While Brazil could implement a retention scheme with real bite, sceptics use talk of retention to sell as they fear producers may be talking the market up before bringing their coffee to the market," one told Reuters.

The cocoa market's attempt to consolidate above \$1,000 a tonne for the May delivery position was scotched yesterday by a late wave of speculative selling. The price, which had peaked at \$1,070 on Thursday, tumbled to \$974, down \$31 on the day and \$36 on the week. "It was a big wash out probably prompted by the big sell-off in sugar," a trader said.

Nickel's rise to \$9,925 a tonne for the three months delivery position was "worrying", Stephen Briggs of Metals and Minerals Research Services told Reuters. "This market is just getting carried away... people are becoming nervous about the situation in nickel."

"Unlike other LME metals, nickel stocks are not far off their highs," he explained. "There is nearly 150,000 tonnes there, and it is all good quality metal." The nickel price subsequently backtracked to \$9,777.50, up \$382.50 on the week.

At the London Commodity Exchange yesterday the main feature was a sudden plunge in white sugar futures prices. In late trading the May position was at \$395.50 a tonne, down \$18.70 on the day and \$21.80 on the week.

The fall was triggered by a lower-than-expected opening in New York, reflecting a widespread exodus of the investment fund money that had played a big part in the market's recent surge to 4 1/2-year peaks. Traders said the fund selling might have been reinforced by improved expectations for this year's Indian crop.

Coffee fared much better yesterday, though a \$59 rise for the LCE's March robusta futures price still left it \$34 down on the week at \$3,784 a tonne. The market had been firmed earlier in the week by suggestions that Brazil, the world's leading producer might implement an export retention scheme alongside that already being operated by its Central American neighbours. But some dealers were careful not to get too much store by this.

"While Brazil could implement a retention scheme with real bite, sceptics use talk of retention to sell as they fear producers may be talking the market up before bringing their coffee to the market," one told Reuters.

The cocoa market's attempt to consolidate above \$1,000 a tonne for the May delivery position was scotched yesterday by a late wave of speculative selling. The price, which had peaked at \$1,070 on Thursday, tumbled to \$974, down \$31 on the day and \$36 on the week. "It was a big wash out probably prompted by the big sell-off in sugar," a trader said.

getting carried away... people are becoming nervous about the situation in nickel."

"Unlike other LME metals, nickel stocks are not far off their highs," he explained. "There is nearly 150,000 tonnes there, and it is all good quality metal." The nickel price subsequently backtracked to \$9,777.50, up \$382.50 on the week.

At the London Commodity Exchange yesterday the main feature was a sudden plunge in white sugar futures prices. In late trading the May position was at \$395.50 a tonne, down \$18.70 on the day and \$21.80 on the week.

The fall was triggered by a lower-than-expected opening in New York, reflecting a widespread exodus of the investment fund money that had played a big part in the market's recent surge to 4 1/2-year peaks. Traders said the fund selling might have been reinforced by improved expectations for this year's Indian crop.

Coffee fared much better yesterday, though a \$59 rise for the LCE's March robusta futures price still left it \$34 down on the week at \$3,784 a tonne. The market had been firmed earlier in the week by suggestions that Brazil, the world's leading producer might implement an export retention scheme alongside that already being operated by its Central American neighbours. But some dealers were careful not to get too much store by this.

"While Brazil could implement a retention scheme with real bite, sceptics use talk of retention to sell as they fear producers may be talking the market up before bringing their coffee to the market," one told Reuters.

The cocoa market's attempt to consolidate above \$1,000 a tonne for the May delivery position was scotched yesterday by a late wave of speculative selling. The price, which had peaked at \$1,070 on Thursday, tumbled to \$974, down \$31 on the day and \$36 on the week. "It was a big wash out probably prompted by the big sell-off in sugar," a trader said.

Nickel's rise to \$9,925 a tonne for the three months delivery position was "worrying", Stephen Briggs of Metals and Minerals Research Services told Reuters. "This market is just getting carried away... people are becoming nervous about the situation in nickel."

"Unlike other LME metals, nickel stocks are not far off their highs," he explained. "There is nearly 150,000 tonnes there, and it is all good quality metal." The nickel price subsequently backtracked to \$9,777.50, up \$382.50 on the week.

At the London Commodity Exchange yesterday the main feature was a sudden plunge in white sugar futures prices. In late trading the May position was at \$395.50 a tonne, down \$18.70 on the day and \$21.80 on the week.

The fall was triggered by a lower-than-expected opening in New York, reflecting a widespread exodus of the investment fund money that had played a big part in the market's recent surge to 4 1/2-year peaks. Traders said the fund selling might have been reinforced by improved expectations for this year's Indian crop.

Coffee fared much better yesterday, though a \$59 rise for the LCE's March robusta futures price still left it \$34 down on the week at \$3,784 a tonne. The market had been firmed earlier in the week by suggestions that Brazil, the world's leading producer might implement an export retention scheme alongside that already being operated by its Central American neighbours. But some dealers were careful not to get too much store by this.

"While Brazil could implement a retention scheme with real bite, sceptics use talk of retention to sell as they fear producers may be talking the market up before bringing their coffee to the market," one told Reuters.

The cocoa market's attempt to consolidate above \$1,000 a tonne for the May delivery position was scotched yesterday by a late wave of speculative selling. The price, which had peaked at \$1,070 on Thursday, tumbled to \$974, down \$31 on the day and \$36 on the week. "It was a big wash out probably prompted by the big sell-off in sugar," a trader said.

Nickel's rise to \$9,925 a tonne for the three months delivery position was "worrying", Stephen Briggs of Metals and Minerals Research Services told Reuters. "This market is just getting carried away... people are becoming nervous about the situation in nickel."

"Unlike other LME metals, nickel stocks are not far off their highs," he explained. "There is nearly 150,000 tonnes there, and it is all good quality metal." The nickel price subsequently backtracked to \$9,777.50, up \$382.50 on the week.

At the London Commodity Exchange yesterday the main feature was a sudden plunge in white sugar futures prices. In late trading the May position was at \$395.50 a tonne, down \$18.70 on the day and \$21.80 on the week.

The fall was triggered by a lower-than-expected opening in New York, reflecting a widespread exodus of the investment fund money that had played a big part in the market's recent surge to 4 1/2-year peaks. Traders said the fund selling might have been reinforced by improved expectations for this year's Indian crop.

Coffee fared much better yesterday, though a \$59 rise for the LCE's March robusta futures price still left it \$34 down on the week at \$3,784 a tonne. The market had been firmed earlier in the week by suggestions that Brazil, the world's leading producer might implement an export retention scheme alongside that already being operated by its Central American neighbours. But some dealers were careful not to get too much store by this.

"While Brazil could implement a retention scheme with real bite, sceptics use talk of retention to sell as they fear producers may be talking the market up before bringing their coffee to the market," one told Reuters.

The cocoa market's attempt to consolidate above \$1,000 a tonne for the May delivery position was scotched yesterday by a late wave of speculative selling. The price, which had peaked at \$1,070 on Thursday, tumbled to \$974, down \$31 on the day and \$36 on the week. "It was a big wash out probably prompted by the big sell-off in sugar," a trader said.

Nickel's rise to \$9,925 a tonne for the three months delivery position was "worrying", Stephen Briggs of Metals and Minerals Research Services told Reuters. "This market is just getting carried away... people are becoming nervous about the situation in nickel."

## BASE METALS

## LONDON METAL EXCHANGE

(Prices from Unsmelted Metal Trading)

ALUMINIUM, 99.7% Purity (\$ per tonne)

Cash 2000-92 2005-97

Previous 2010-94 2015-99

AM Official 2010-94 2015-99

Karb close 2010-94 2015-99

Open int. 244,678

Total daily turnover 86,830

ALUMINIUM ALLOY (\$ per tonne)

Cash 1995-95 1995-95

Previous 1995-95 1995-95

AM Official 1995-95 1995-95

Karb close 1995-95 1995-95

Open int. 2,701

Total daily turnover 283

LEAD (\$ per tonne)

Cash 1995-95 1995-95

Previous 1995-95 1995-95

AM Official 1995-95 1995-95

Karb close 1995-95 1995-95

Open int. 41,172

Total daily turnover 6,719

NICKEL (\$ per tonne)

Cash 1995-95 1995-95

Previous 1995-95 1995-95

AM Official 1995-95 1995-95

Karb close 1995-95 1995-95

Open int. 63,151

Total daily turnover 7,745

TIN (\$ per tonne)

Cash 1995-95 1995-95

Previous 1995-95 1995-95

AM Official 1995-95 1995-95

Karb close 1995-95 1995-95

Open int. 2,109

Total daily turnover 3,270

ZINC, special high grade (\$ per tonne)

Cash 1995-95 1995-95

Previous 1995-95 1995-95

AM Official 1995-95 1995-95

Karb close 1995-95 1995-95

Open int. 11,123

Total daily turnover 1,742

COPPER, grade A (\$ per tonne)

Cash 1995-95 1995-95

Previous 1995-95 1995-95

AM Official 1995-95 1995-95

Karb close 1995-95 1995-95

Open int. 304,541

Total daily turnover 53,846

LME AM Official 2 1/2 rate: 1.5890

LME Clearing 2 1/2 rate: 1.5878

Spot 1.5888 3 mth 1.5884 6 mth 1.5880 9 mth 1.5880

HIGH GRADE COPPER COMEX

Cash 1995-95 1995-95

Previous 1995-95 1995-95

AM Official 1995-95 1995-95

Karb close 1995-95 1995-95

Open int. 131,778

Total daily turnover 47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

47,483

## Precious Metals continued

## GOLD COMEX (100 Troy oz; \$/troy oz)

Sett. Day's High Low Open Int. Vol.

Jan 376.50 376.50 376.50 376.50 376.50 376.50

Feb 376.50 376.50 376.50 376.50 376.50 376.50

Mar 376.50 376.50 376.50 376.50 376.50 376.50

Apr 376.50 376.50 376.50 376.50 376.50 376.50

May 376.50 376.50 376.50 376.50 376.50 376.50

Jun 376.50 376.50 376.50 376.50 376.50 376.50

Jul 376.50 376.50 376.50 376.50 376.50 376.50

Aug 376.50 376.50 376.50 376.50 376.50 376.50

Sep 376.50 376.50 376.50 376.50 376.50 376.50

Oct 376.50 376.50 376.50 376.50 376.50 376.50

Nov 376.50 376.50 376.50 376.50 376.50 376.50

Dec 376.50 376.50 376.50 376.50 376.50 376.50

Total 376.50 376.50 376.50 376.50 376.50 376.50

PLATINUM NYMEX (500 Troy oz; \$/troy oz)

Sett. Day's High Low Open Int. Vol.

Jan 412.50 412.50 412.50 412.50 412.50 412.50

Feb 412.50 412.50 412.50 412.50 412.50 412.50

Mar 412.50 412.50 412.50 412.50 412.50 412.50

Apr 412.50 412.50 412.50 412.50 412.50 412.50

May 412.50 412.50 412.50 412.50 412.50 412.50

Jun 412.50 412.50 412.50 412.50 412.50 412.50

Jul 412.50 412.50 412.50 412.50 412.50 412.50

Aug 412.50 412.50 412.50 412.50 412.50 412.50

Sep 412.50 412.50 412.50 412.50 412.50 412.50

Oct 412.50 412.50 412.50 412.50 412.50 412.50

Nov 412.50 412.50 412.50 412.50 412.50 412.50

Dec 412.50 412.50 412.50 412.50 412.50 412.50

Total 412.50 412.50 412.50 412.50 412.50 412.50

PALLADIUM NYMEX (100 Troy oz; \$/troy oz)

Sett. Day's High Low Open Int. Vol.

Jan 150.00 150.00 150.00 150.00 150.00 150.00

Feb 150.00 150.00 150.00 150.00 150.00 150.00

Mar 150.00 150.00 150.00 150.00 150.00 150.00

Apr 150.00 150.00 150.00 150.00 150.00 150.00

May 150.00 150.00 150.00 150.00 150.00 150.00

Jun 150.00 150.00 150.00 150.00 150.00 150.00

Jul 150.00 150.00 150.00 150.00 150.00 150.00

Aug 150.00 150.00 150.00 150.00 150.00 150.00

Sep 150.00 150.00 150.00 150.00 150.00 150.00

Oct 150.00 150.00 150.00 150.00 150.00 150.00

Nov 150.00 150.00 150.00 150.00 150.00 150.00

Dec 150.00 150.00 150.00 150.00 150.00 150.00

Total 150.00 150.00 150.00 150.00 150.00 150.00

SILVER COMEX (100 Troy oz; \$/troy oz)



● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 873 4378 for more details.

est and its  
dividend  
yield. Ex-  
pected cash  
flow is an  
important  
component  
of the  
MFC.



**Call Mike Collins Today** **402-741-1111**

[illegible]

## LOOKING FOR A GOOD INVESTMENT?

هكذا عنه الأصل

[illegible]



# Are you an international expatriate working in the UK?

## Are you making the most of Britain?

International expatriates working in Britain qualify for unique tax savings and investment opportunities. Investing your money wisely while you are in the UK can lead to significant rewards. **The International in Britain** is a new magazine with expertise to help you.

To be published early in 1995 by Financial Times Magazines, it will provide independent and impartial advice to help all international expatriates manage their personal finances profitably while in the UK.

And more - regular features will cover job opportunities, property, schooling and healthcare as well as finance - essential guidance on all the practical issues an international expatriate faces when moving to the UK.

Make **The International in Britain** your first move in the UK - complete and sign the coupon below for your FREE one year subscription.

FT  
Financial Times  
Magazines

Please return to Kevin Phillips, The International in Britain, FREEPOST, Great Britain, Pinner Lane, London EC1B 4QU. Yes, please send me FREE and without obligation, for one year, my monthly copy of The International in Britain, the essential magazine for international expatriates working in the UK.

When do you plan to return home? ☐ 0-1 years ☐ 1-5 years ☐ 5-10 years ☐ Over 10 years

Which British newspaper/magazine do you read? (Please specify)

Which publications from your home country do you read? (Please specify)

I prefer not to receive promotional mailings from other companies

Signature \_\_\_\_\_ Date \_\_\_\_\_

FT  
Financial Times  
Magazines

---

\_\_\_\_\_

Signature \_\_\_\_\_

Postcode \_\_\_\_\_  
Tel \_\_\_\_\_ Fax \_\_\_\_\_  
Sign here only if you wish to receive a regular copy of The Internationalist in Britain  
☐ I prefer not to receive promotional mailings from other companies FT

☐ I prefer not to receive promotional mailings from

Sign here only if you wish to receive a regular copy of *The Internationalist* in Britain

☐ I prefer not to receive promotional mailings from other companies

FT

Signature \_\_\_\_\_ Date \_\_\_\_\_

FT Mediales Enterprises Ltd. Registered Office: Number One, Southview Bridge,  
Luton, SG1 2PL. Registered in England No. 380035

1994 146 Five  
Pence

Sign here only if you wish to receive a regular copy of *The Internationalist* in Britain

☐ I prefer not to receive promotional mailings from other companies

FT

Signature \_\_\_\_\_ Date \_\_\_\_\_

FT Mediales Enterprises Ltd. Registered Office: Number One, Southview Bridge,  
Luton, SG1 2PL. Registered in England No. 380035

1994 146 Five  
Pence

Sign here only if you wish to receive a regular copy of *The Internationalist* in Britain

☐ I prefer not to receive promotional mailings from other companies

FT

Signature \_\_\_\_\_ Date \_\_\_\_\_

FT Mediales Enterprises Ltd. Registered Office: Number One, Southview Bridge,  
Luton, SG1 2PL. Registered in England No. 380035

1994 146 Five  
Pence

\_\_\_\_\_







## FT MANAGED FUNDS SERVICE

FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 71) 873 4978 for more details.

OFFSHORE INSURANCES			OTHER OFFSHORE FUNDS		
<p><b>AXA Equity &amp; Life Insurance Co</b></p> <p>AXA Equity Fund Ltd AXA Life Fund Ltd AXA Global Fund Ltd AXA Pacific Fund Ltd AXA Asia Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd</p>	<p><b>AXA Equity &amp; Life Insurance Co</b></p> <p>AXA Equity Fund Ltd AXA Life Fund Ltd AXA Global Fund Ltd AXA Pacific Fund Ltd AXA Asia Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd</p>	<p><b>AXA Equity &amp; Life Insurance Co</b></p> <p>AXA Equity Fund Ltd AXA Life Fund Ltd AXA Global Fund Ltd AXA Pacific Fund Ltd AXA Asia Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd</p>	<p><b>AXA Equity &amp; Life Insurance Co</b></p> <p>AXA Equity Fund Ltd AXA Life Fund Ltd AXA Global Fund Ltd AXA Pacific Fund Ltd AXA Asia Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd</p>	<p><b>AXA Equity &amp; Life Insurance Co</b></p> <p>AXA Equity Fund Ltd AXA Life Fund Ltd AXA Global Fund Ltd AXA Pacific Fund Ltd AXA Asia Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd</p>	<p><b>AXA Equity &amp; Life Insurance Co</b></p> <p>AXA Equity Fund Ltd AXA Life Fund Ltd AXA Global Fund Ltd AXA Pacific Fund Ltd AXA Asia Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd AXA Europe Fund Ltd AXA Japan Fund Ltd AXA US Fund Ltd AXA Australia Fund Ltd AXA New Zealand Fund Ltd AXA South Africa Fund Ltd AXA Middle East Fund Ltd AXA Latin America Fund Ltd AXA Caribbean Fund Ltd AXA Central America Fund Ltd AXA South America Fund Ltd AXA North America Fund Ltd</p>

## A WEALTH OF ADVICE

Money Management provides financial advisers with all the essential information needed to give the best advice.

Make sure you have the most comprehensive financial advice at your fingertips and subscribe today

For subscription details contact the Marketing department  
Tel no: +44(0)171 405 6969  
Fax no: +44(0)171 242 2439

MONEY  
MANAGEMENT



FINANCIAL TIMES  
Magazines











**INVESTMENT TRUSTS - Cont**

هكذا عنه لأصل



RECEIVED 1967 APR 11

TRANSPORT - Cont.									
	Notes	Price	+ or -	1994/95	Ytd	Ytd	Ytd	Ytd	Ytd
				High	Low	Open	Close	Settle	Prev
East Coast	23M	124	+0	165	120	120	120	120	120
Atlantic	23M	124	+0	165	120	120	120	120	120
West Coast	23M	124	+0	165	120	120	120	120	120
North Atlantic	23M	124	+0	165	120	120	120	120	120
South Atlantic	23M	124	+0	165	120	120	120	120	120
West Indies	23M	124	+0	165	120	120	120	120	120
Caribbean	23M	124	+0	165	120	120	120	120	120
Central America	23M	124	+0	165	120	120	120	120	120
South America	23M	124	+0	165	120	120	120	120	120
Europe	23M	124	+0	165	120	120	120	120	120
Asia	23M	124	+0	165	120	120	120	120	120
Africa	23M	124	+0	165	120	120	120	120	120
Oceania	23M	124	+0	165	120	120	120	120	120
Other	23M	124	+0	165	120	120	120	120	120
World	23M	124	+0	165	120	120	120	120	120
Global	23M	124	+0	165	120	120	120	120	120
Universal	23M	124	+0	165	120	120	120	120	120
International	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	120	120	120	120	120
Transatlantic	23M	124	+0	165	120	120	120	120	120
Transpacific	23M	124	+0	165	1				

**Score indices.**  
 Clostridial mid-values are shown in a

**FT Free Annual Reports Service**

You can obtain the current annual/interim report of any company annotated with £ . Please quote the code FT2758. Ring 081-770 0770 for more details including worldwide or Fax 081-770 3822. If calling from outside the UK, ring +44 81 770 0770 or fax +44 81 770 3822. Reports will be sent the next working day, subject to availability.

**FT Cityline:**

Up-to-the-minute share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available for callers outside the UK, annual subscription £250 stip.

Call 017-673 4375 (+44 17 873 4375) International for more information on FT Cityline.







# Weekend FT

## The miracle of death defeated

Angus Foster follows the Brazilian pilgrims who cross a desert in search of healing

Only God and Padre Cicero, they say, prevented Teresa from dying.

Nine years ago, when she was five, this beautiful Brazilian girl developed an illness which baffled the doctors. Unable to eat without being sick, she was becoming steadily weaker. Then her mother decided to risk her savings on a pilgrimage to Juazeiro, a small town in Brazil's dusty northeast. Teresa recovered on the way home.

The two women return to Juazeiro each year to give thanks. The mother, whose black face is hatched with lines, says the trip costs nearly a month's wages. "But it is worth it. What happened to Teresa was a miracle and other people should hear the story," she says. Her travelling companions, who have sat quietly listening to the woman's voice, nod slowly and agree the young girl was indeed blessed by a miracle.

Such stories are common in Juazeiro, Brazil's land of miracles. Each November, hundreds of thousands of pilgrims arrive for All Souls' Day. They come to enjoy two days of worship, feasting at market stalls, music, dancing and fun. They also come to pay thanks to one of the most controversial figures in the Catholic Church's recent history, and the man responsible for Juazeiro's fame, Padre Cicero.

Last year, the 150th anniversary of Padre Cicero's birth, was a bigger party than most. Juazeiro's authorities estimated that more than 500,000 people visited during the festival. Although the figure was probably exaggerated, regular pilgrims, such as Flavia, agreed she had never seen so many people.

Flavia, who is in her 60s and in failing health, has visited

for the last 25 years. She comes because she believes Padre Cicero healed her son during a miraculous operation. "My son was sure to die but I prayed to the padre and the next day the doctors found a stone the size of a yellow pepper inside him. Don't you agree this was a miracle?" she asks. "Ever since, I have said that I should first thank God, but second Padre Cicero," she says.

Padre Cicero died in 1934 at the age of 90. He was a respected, rather zealous, local priest until Juazeiro's biggest miracle changed his life. The communion host he gave to a parishioner turned into blood which, believers later claimed, was the blood of Christ. The Vatican stripped the padre of his holy orders. Attempts by his supporters to have the events of Juazeiro declared a miracle, and Padre Cicero declared a saint, have repeatedly failed. Even so, the pilgrims arriving in Juazeiro in November were convinced that the original miracle happened, and that many others have occurred since.

"A woman arrived yesterday saying she had lost her voice for four months. As soon as she reached Juazeiro, her voice recovered," said Padre Murilo, now the priest in the parish where the original miracle took place.

He steers a middle course between the popular appeal of Padre Cicero and the pontifications of the Church hierarchy. "His voice recovered because of the excitement of the pilgrimage. I may not believe all these miracles occur, but the people do," he says.

Most of the pilgrims are poor farmers and workers from nearby states such as Pernambuco and Alagoas. Some spend days travelling through the semi-desert of the *sertão* in Brazil's north east before they reach the green valley of

Juazeiro, which Padre Murilo calls a "geographical as well as spiritual oasis". They arrive on the backs of lorries, shielded by tarpaulins from a powerful sun. On the front of the lorries are photographs of the Padre, and signs reading "The Lord blesses" or "Driven by God".

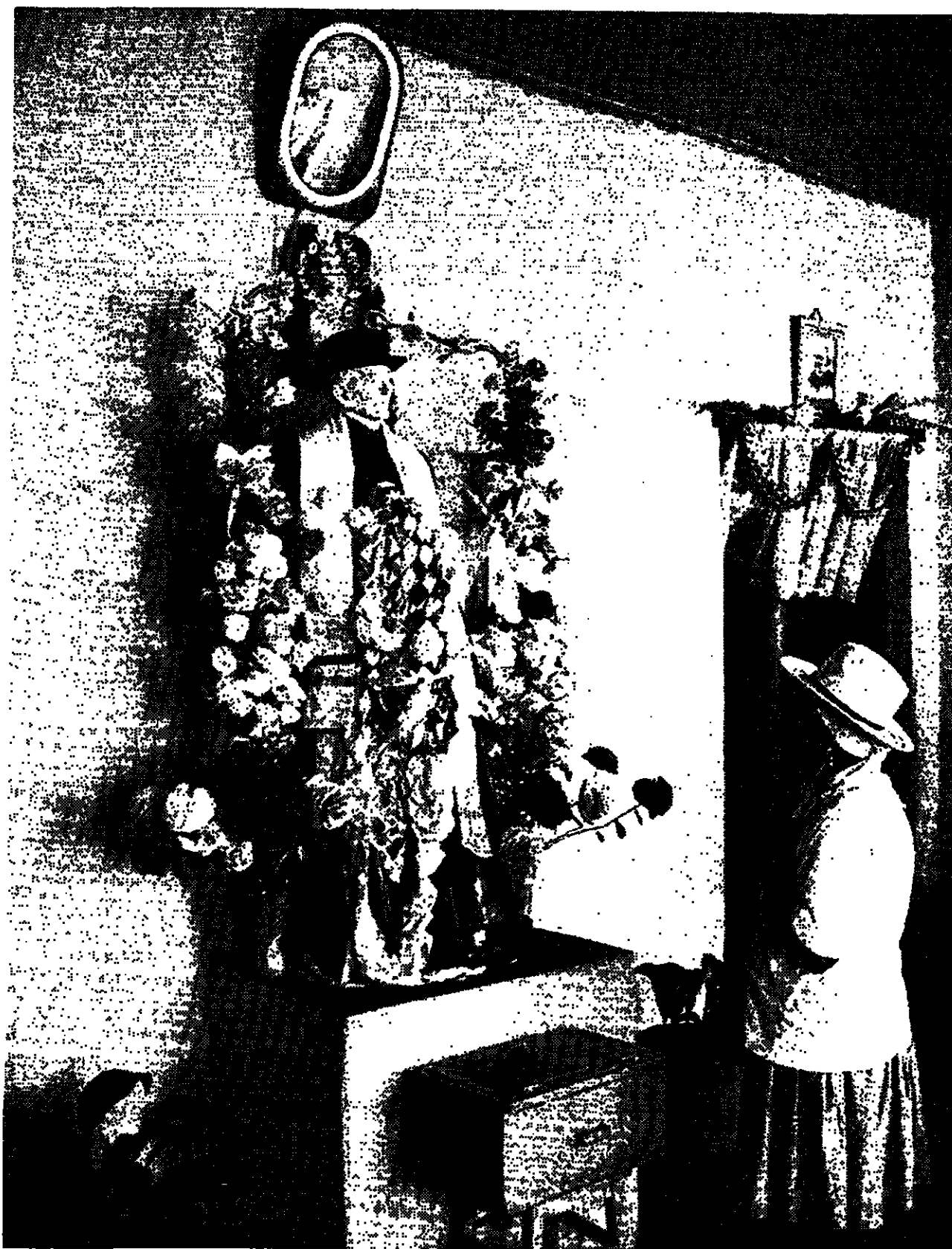
From the Monday afternoon, when lorries and buses started to stream into Juazeiro, its normally sleepy streets were transformed into a churning flow of people. They hustled and pushed between the holy sites and the markets which swamped them, selling statues of Padre Cicero, clothes and household goods such as pans and kitchen spoons. Fireworks were set off day and night, but were almost drowned by music playing in bars or by salesmen's records of the previous year's church services.

A group of eight "riflemen" arrived to salute Padre Cicero. They stuff their ancient weapons with gunpowder then fire deafening volleys into the ground amid clouds of smoke and flying earth which sent onlookers scurrying for cover, laughing with excitement.

The shooting went on for over an hour, and with each release, the walls of the Church of St Francisco seemed to wobble and the priest, a young man with red lips, paused in his incantations: "Long live Jesus Christ! Long live the Pilgrims! Long live Padre Cicero!"

Padre Cicero Romão came to Juazeiro in 1872 as a young priest. The town had a population of only a couple of thousand. He was admired by his parishioners, who were impressed by the intensity of his faith. Within the Church hierarchy, he was considered a model priest...until the miracles started.

On March 1, 1889, during



Pilgrims cross deserts to pay thanks to one of the most controversial figures in the Catholic church's recent history

communion, one of his parishioners, Maria de Araújo, collapsed. In a letter to a friend 25 years later, he said: "As soon as she received the white host, it turned into blood in such quantities that it trickled on to the communion cloth and even

on to the ground. Many people saw this."

The miracle was repeated many times over the following months. Padre Cicero was unsure how to react to events and his bishop in the state capital of Fortaleza ignored them,

hoping they would cease. But a prominent doctor, allegedly agnostic, published a newspaper article agreeing that the host had changed to blood, "a supernatural fact for which it is impossible to find a scientific explanation". The "fact"

that de Araújo had suffered nervous seizures since childhood was apparently not revealed to the doctor.

The article prompted the bishop, Dom Joaquim, to send

Continued on Page IX

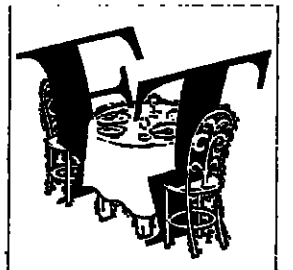
### CONTENTS



**Truth of the Matter:** Why Charles can never marry Camilla **XVIII**

**Small Business:** Chic coats for executives who fear the bullet **II**

**Property:** Designer homes for young retirees **V**



**Lunch for a Fiver:** What your appetite for two weeks of cheap lunches **VII**

**Sport:** A close shave for Andre Agassi **VI**

**Fashion:** The big boot goes in **X**

**Arts:** **XVII, XVIII**  
**Arts Guide:** **XVIII**  
**Books:** **XI**  
**Bridge, Chess, Crossword:** **XVIII**  
**Fashion:** **X**  
**Food & Drink:** **VII**  
**Gardening:** **IV**  
**How To Spend It:** **VIII & IX**  
**James Morgan:** **II**  
**Motoring:** **III**  
**Perspectives:** **II & III**  
**Property:** **V**  
**Science:** **IV**  
**Sport:** **VI**  
**Travel:** **XVI-XVII**

**NEXT WEEK**  
 Concordo - can the old bird keep flying?



Joe Rogaly

## Eye of Newt: the spell still promises a crown

Hubble, bible, toil and trouble: the Gingrich magic may work for ambitious European politicians too

A right-wing populist like Newt Gingrich will one day capture the imagination of Europeans. France has its Jean-Marie Le Pen and Italy its Gianfranco Fini, but neither boasts quite the same ideology or is quite so powerful as the new speaker of the US house of representatives.

Mr Gingrich's magnetism is unquestioned in his own country, second only to the trial on a murder charge of the sports hero O.J. Simpson. The Republican speaker looks to me like a media skyrocket headed for a long burnout, but what fate has in store for him personally is beside the point. What matters is why he is doing so well.

Part of it is a quirky personality, but the more significant element is the sense that conservative Republicans will restore order to an increas-

ingly troubled America. Most of us in the west long for a moral imperative, discipline, cohesion, a cosmic purpose to motivate us when we get up in the morning. The churches are losing their attraction. The left lost its social glue when communism was discredited. The right fills the vacuum with its punitive recipe - spite, in the US, by bible-bashing fundamentalism.

Mr Gingrich talks morality whenever he opens his mouth. He has been criticised, justly, for blathering about street crime being the moral equivalent of slavery, but his proposition that liberals (American for left-wingers) are morally corrupt is at least the basis for an interesting debate. I am not able to say whether this new preacher is himself a model of probity, a man of substance, but that is nothing to do with

the case. What he says often strikes a chord.

In Britain the equivalent message is blurred, since the Conservative proponents of an ethical basis for public policy, such as Michael Portillo, are almost invariably passionate free-marketisers. The conundrum of the 1990s - how to lace aggressive individualism with social responsibility - is not addressed. The Tories have spent the past 15 years attacking the institutions that should encourage responsible behaviour. The Anglican church is derided as "too political", local government has been castrated because it is often controlled by other parties, the civil service has been marketised, prisons are to be privatised, everything is governed by price.

Yet these same confused politicians call for moral

restraint. They lament the loss of the certainties of family life, and cling tenaciously to the crown, whose record in that area is imperfect. "We are sailing in dangerous and uncharted waters," writes Patricia Morgan, in a start-of-the-year booklet published by the Institute of Economic Affairs.

"There is no society known to anthropology which has not had a social order based on marriage," she says. The right-wing sociologist's views on single parents will be music to the ears of Mr Gingrich. He will love this line: "The universal stigma which has been attached to children born out of wedlock represents a profound cultural self-defence mechanism."

It is too late to go back to a blanket insistence on heterosexual, two-parent, blessed-in-church family units, however

destrable these might be. A majority of couples may conform to that ideal, but many will not. Much else that formerly seemed the norm has passed us by, perhaps never to return. The cult of the do-as-you-please individual is triumphant. Nihilism, the fellow-traveller of the free market, is sharing in its victory.

The sighs of regret are not confined to natural supporters of right-wing parties. Nothing could have been more orderly, more structured, than the early childhood of Sir Rhodes Boyson, now a fading back-bench Tory, but in his heyday a colourful, proto-Gingrich maverick of the new right. Sir Rhodes was raised in a Lancastrian socialist family and, indeed, voted Labour until 1964. His upbringing was one of which anyone on the moral plane of politics would

approve. "A nonconformist home, a strict school and the tight discipline of the Royal Navy gave me a privileged start to life," he writes in his autobiography, published this week.

I first met Sir Rhodes in the early 1970s, when he was rising to fame as the colourful headmaster of Highbury Grove school in Islington. While the teaching profession, on both sides of the Atlantic, was engaged in a mad experiment with free-wheeling, "child-centred" anarchy, Sir Rhodes was insisting on uniforms, morning assembly, gates locked against truants, academic striving, and, alas, liberal use of the cane.

Except for the latter, the reintroduction of which is impractical in these days of awareness of child abuse, Dr Boyson's 1970s educational

nostrums, anathema to the left at the time, are now nearly all part of a growing educational consensus. A national core curriculum, streaming, testing, league tables, a duty to inculcate the three Rs - above all, a sense that teachers' expectations of children must be high - are accepted by the mainstream political parties.

Not every guru can be such a colourful character. In one school in which Sir Rhodes taught he saw the "demon boy of the class" seated on the school roof. "I climbed the drainpipe... and collected the boy and we came down... together. I held him by various parts of his anatomy, thumping and kicking him all the way down." A great cheer went up from the children watching below. "Good old Sir," they cried. How city centre teachers, tried beyond

patience by the punchings, kickings and sometimes stabblings in their playgrounds, must envy such initiative.

The children who were let down, betrayed, by the misguided educational theories of the 1970s and early 1980s were principally from underprivileged, working-class homes. In the nature of things they were under the care of Labour-controlled education authorities. What was then believed to be the basis of a new social order contributed to the breakdown of society as surely as did 1980s capitalism.

In short, left and right are the mother and father of the growing family of Gingriches. They will produce a Greater European Newt one day. *YEA, 2 Lord North Street, London SW1P 3LB. "Speaking My Mind, Peter Owen, 255 pages £24.50"*



## A Full Set of Solid Silver Cutlery For Just £1,275

Our award winning hallmarked silver cutlery is widely regarded as the finest in the world. It comes in an unrivalled choice of TWENTY PATTERNS and represents outstanding value for money. This is because we supply you direct. So your money isn't spent on excessive retail profit margins. Instead you get exactly what you pay for - the world's finest full weight, full size solid silver cutlery at unbeatable prices. Each magnificent piece of this beautifully hand crafted

cutlery is individually tested and hallmarked by the Sheffield Assay Office and is unconditionally guaranteed for life.

**44 PIECE SET for six people £1,275**  
**60 PIECE SET for eight people £1,750**  
**88 PIECE SET for twelve people £2,500**

All our cutlery can be collected piece by piece and alternative sized sets are available too. Send for details today by posting the coupon, by phoning 0114 243 3984, or fax

us anytime. Alternatively, you may like to visit our London showroom or our Sheffield manufactory and showroom.

**United Cutlery of Sheffield**  
 Peter Street, Sheffield S4 8LL.  
 Phone: 0114 243 3984 Fax: 0114 243 7128  
 London Showroom:  
 4 Grosvenor Street, London W1X 0AD. Tel: Bond Street

Please send me full details of your silver cutlery sets.

Title: \_\_\_\_\_ Name: \_\_\_\_\_

Address: \_\_\_\_\_

Postcode: \_\_\_\_\_

Post to: United Cutlery, FREEPOST, Sheffield S4 7ZZ.  
 (no stamp needed) 1995/07/05



## PERSPECTIVES

# Minding Your Own Business

## Yep, looks good and stops an assassin's bullets

Sarita Kendall, in Bogota, meets clothing makers with a difference

**Y**ou have to think carefully when dressing for the Bogota streets. Normally it is not a good idea to draw the kind of attention stylish leather jackets bring - thieves love them. But if you are a company executive in danger of being kidnapped, or a politician threatened by assassins, you might want a leather jacket specifically designed to make you a less vulnerable target.

Two young Colombian business graduates, Miguel Angel Caballero and John Murphy, have combined their interest in fashion and security to produce sweaters, coats and jackets that will stop .44 Magnum or 9mm UzI bullets, yet look good on the wearer. They also make straightforward leather clothing and uniforms for security companies, as well as armoured vehicles.

"A year ago there were just the two of us and a secretary and we had one workshop under contract," said Caballero with pride. "Now there are five people in the office, six workshops and John has four employees bullet-proofing cars. We're re-investing everything and working all the time."

The booming boom started in 1985 with the murder of the minister of justice by gunmen. Rampant street crime, guerrilla violence and drug-related killings gave Colombia the world's highest homicide rate, while reported kidnaps average more than three a day.

Rudolf Hommes, a former finance

minister, survived a command-detonated mine thanks to his bullet-proof car. Less fortunate was Senator Luis Carlos Galan, killed by drug traffickers when campaigning for the presidency; he raised his arms to wave to the crowd, hiding up a poorly designed bullet-proof vest and leaving his abdomen unprotected.

Most of Caballero and Murphy's clients have had direct threats. They include ministers, a president, emerald dealers, businessmen, the military and lawyers; clients are carefully checked and orders from criminals and traffickers are avoided. On the whole, those with the money to buy a \$700 coat are more worried about kidnapping than assassination. Only a few are prepared to invest in high-quality jackets for their bodyguards, who normally have to make do with ordinary bullet-proof vests.

"In fact, Colombia has been so violent for a long time that most of those who needed protection have already got it. What interests us is a country where the security situation changes suddenly and you have a new market," said Murphy.

"Of course, it has to be a climate too so people wear jackets," added his partner.

"Mexico is a growing market, there's money and violence." About half the 220 bullet-proof jackets sold have been bought by foreign clients and this part of the business is expanding rapidly. Caballero expects clothing sales to

reach \$240,000 in 1995, with bullet-proof garments accounting for 40 to 50 per cent of the total. Orders have been received from Central America, Europe and the US; the partners describe their prospects with an engaging mixture of glee and embarrassment at making money out of violence.

The Spectra and Kevlar materials that form the bullet-proof panels between the suede or leather and the jacket lining are imported from the US. Spectra is better but very

rigid, according to Murphy, and Kevlar is more comfortable. The best solution is to layer the two. "We use good quality leather with a panel covering the bits. The design helps disguise the bullet-proofing," said Caballero. "There's always a trade-off between comfort and protection. A level-two suede jacket gives you about 95 per cent protection and weighs 8lbs."

Murphy, who is fascinated by armouring technique and experiments constantly, has been shot at

12 times when testing new products. He began the vehicle side of the business by installing bullet-proof glass panels in taxis because Bogota drivers were being killed by their passengers. But he soon found it was much more profitable to proof whole cars.

His own Volkswagen Beetle is too tatty to attract thieves. But the four-wheel-drive Chevrolet trucked away in a small garage in southern Bogota will be virtually invulnerable by the time it is on the road.

Three-quarters of a ton of armour, including steel plating, Kevlar and 4mm thick glass, are being fitted to the doors, roof, floor and engine. When ready, the car will withstand even rifle bullets.

"There are already more than 3,000 armoured cars in Bogota. You need to keep the car moving so that the bullets spread out - otherwise the glass can break up," said Murphy, pointing out the reinforced front bumper. "Labour is cheap here and we can afford to armour

more of the car. The craftsmanship in Colombia is excellent too." Murphy has his eye on the rural market: guerrillas control much of the countryside. A two-seater pick-up could be armoured quite cheaply, reducing risk. The government's recent decision to encourage rural security co-operatives - deployed by many on the grounds that it will increase rather than reduce violence - will undoubtedly be good for the bullet-proofing business.



Miguel Angel Caballero and John Murphy, producing clothes to live in

### BUSINESS SOFTWARE

To advertise in this section please telephone 0171-553 3333 or write to the Financial Times, One Southwark Bridge, London SE1 1TA, or Fax 0171 553 3063

#### "SNAPDRAGON" offers

Windows™ charting and technical analysis on your PC

● Ideal for FTSE Futures Trading

● Covers Futures, Foreign Exchange & Indices

● No phone line modem or satellite link

For this and all other services call FreePhone 0800 450 450

Future Pages Ltd

19-21 Great Tower Street

London, EC3R 8AD

24-HOUR FAX-ON-DEMAND SERVICE

Tel: 0171-553 3063

#### READY FOR PHONEDAY?

PHONEDAY CONVERTER

is a quick to use Windows™ accessory.

Converts telephone numbers from applications. Knows all the exceptions & reformats. Handles foreign and local numbers. Every conversion quick, visible and checkable. A single copy of the program costs £24 + VAT. Ask for illustrated product description. Segment Software Ltd, TRISTARPOINT, 151-153 (151) READING, Berks RG4 7ER. Tel: 01753 748832

#### SELECT 400

RETAIL BANKING SYSTEM

Robert Newman Package

Selected by one of the largest UK Building Societies

Complete functionality

Multi-Channel Correspondence

On-Line Signatures

A totally modern electronic platform for LIT

affiliates. John Owsen Central Software

Tel: 0434 620977 Fax: 0434 620780

381 Newburn Road, Newcastle NE1 7JL

Tel: 0161 242242 Fax: 0161 244548

#### MARKET ACCESS

DATA COLLECTION MADE

SIMPLE

If you need data, fast, accurately, flexibly and reliably, look no further. Market Access, from Synergy Software, brings you a complete 'one stop' solution to your data, information and analysis needs. Keeping you right up to date with the UK stockmarkets, MARKET contains powerful investment and portfolio management software with Synergy's renowned data delivery service. Available on subscription only, from just £10 per week. Call 0800 450450 NOW. For your FREE S&P Brochure

#### A New Era in Technical Analysis

SUPERCHARTS 2.1

Now with 'Wall Street Analyst', the world's first computerised market analysis, both in

text and graphics, this powerful software has been designed to give you the best chance of success in trading. It includes a comprehensive 'Commodity Traders' Consumer Report. Free Demo and Information. Tel: 0207 644274 Fax: 0207 644285

#### UNIVERSAL EXOTICS, OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS

Additional spreadsheet functions for Financial Markets Professionals using Lotus 1-2-3 and Excel (Windows, OS/2, Mac). European and American style options, swaps and shares. Prices range from £295 to £395. FBS - Financial Systems Software. A Division of PRC Limited. The Royal House, 1280 Road Aldershot Square, London GU11 7TH. Tel: +44 (0) 1753 620 8023. Fax: +44 (0) 1753 620 4102

#### FINALLY: REAL-TIME DATA YOU CAN AFFORD

STOCKS, CURRENCIES, BONDS, DERIVATIVES AND NEWS

Feature provides global real-time financial data direct to your PC at the lowest possible cost. Our Windows platform facilitates seamless interfacing with other Windows applications. Available across Europe. Call Trestle UK on 0171 405 4541

#### BUSINESS SERVICES

OFFICE IN NEW YORK from \$1 a day. INFOCEN Networks, 121 High Street, Southampton SO4 2DL. Tel: 0442 876015 Fax: 0442 876024

### BUSINESSES FOR SALE

#### REPEAT CALL FOR TENDERS

FOR THE PURCHASE OF A GROUP OF ASSETS OF "METALLURGICAL HALYPS SA", OF ATHENS, GREECE

ETHNIKI KEPHALOU S.A., Administration of Assets and Liabilities, of 1 Stenokloni St., Athens, Greece, is in charge of the liquidation of METALLURGICAL HALYPS S.A., a company with limited liability, (the Company), presently under special liquidation according to the provisions of article 46a of Law 1892/1990, by virtue of Decision No. C54/1994 of the Athens Court of Appeal.

ANNOUNCEMENT OF A REPEAT CALL FOR TENDERS

For the purchase of the group of assets mentioned below, which are being sold as a single entity. BIDDING INFORMATION

The Company was established in 1972 and was in operation until 1991, when it was dissolved. Its liquidation is being carried out by the Athens Court of Appeal. On 10/09/94, the Company was placed under special liquidation according to the provisions of article 46a of Law 1892/1990.

GROUP OF ASSETS OFFERED FOR SALE

Steel Processing Industrial Complex at "Eleftheria" in the Community of Attika, Attika. This is a steel foundry selling mill, occupying an area of approx. 575,215sqm, comprising the following buildings:

a. Rolling mill system, 2x200m

b. Steel Primary department, 7,600sqm

c. Steel Secondary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

d. Steel Tertiary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

e. Steel Quaternary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

f. Steel Quinary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

g. Steel Sextary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

h. Steel Septary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

i. Steel Octary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

j. Steel Nonary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

k. Steel Decary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

l. Steel Undecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

m. Steel Duodecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

n. Steel Tredecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

o. Steel Quindecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

p. Steel Sexdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

q. Steel Septdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

r. Steel Octodecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

s. Steel Undecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

t. Steel Duodecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

u. Steel Tredecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

v. Steel Quindecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

w. Steel Sexdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

x. Steel Septdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

y. Steel Octodecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

z. Steel Undecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

aa. Steel Duodecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ab. Steel Tredecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ac. Steel Quindecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ad. Steel Sexdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ae. Steel Septdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

af. Steel Octodecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ag. Steel Undecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ah. Steel Duodecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ai. Steel Tredecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

aj. Steel Quindecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ak. Steel Sexdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

al. Steel Septdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

am. Steel Octodecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

an. Steel Undecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ao. Steel Duodecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ap. Steel Tredecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

aq. Steel Quindecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ar. Steel Sexdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

as. Steel Septdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

at. Steel Octodecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

au. Steel Undecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

av. Steel Duodecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

aw. Steel Tredecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ax. Steel Quindecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ay. Steel Sexdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

az. Steel Septdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

ba. Steel Octodecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bb. Steel Undecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bc. Steel Duodecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bd. Steel Tredecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

be. Steel Quindecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bf. Steel Sexdecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bg. Steel Septdecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bh. Steel Octodecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bi. Steel Undecdecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

bj. Steel Duodecdecdecdecdecdecdecdecary department (offices, storage area, water, processing unit, workshop, weighing area, maintenance and auxiliary areas, etc.)

## As They Say in Europe

# A new-found freedom

James Morgan looks at encouraging signs in the Russian press

**B**oris Fyodorov is an interesting chap. He has been a reformist Russian finance minister, a director of the European Bank and is now an opponent of President Boris Yeltsin but a supporter of the war in Bosnia.

I was lucky enough to be able to interview him a few months back. He was passing through London and, at the time, it was widely assumed he was about to be appointed boss of the central bank. (He was not.)

I met him at one of London's more illustrious academic institutions where a room was quickly made available. It turned out to be a kind of box-room, full of junk but with a desk piled high with papers and publications.

As is normal, I asked Fyodorov to say a few words so that the recording machine could be properly adjusted. The distinguished liberal economist looked down at the desk and pronounced two sentences that would be unprintable here.

I discovered that he was simply reading aloud from a magazine lying in front of him. It was an obscure Russian weekly which that week concentrated on matters of an autoerotic nature.

Perhaps impelled by subconscious thoughts of blackmail, I remarked to Fyodorov that I now had on tape his voice pronouncing on topics that might be thought unseemly in a person of such eminence, and that it could be broadcast to the world. "We Russians," he replied evenly, "do not worry about such things."

This lengthy introduction is not included for its intrinsic interest but in order to illustrate the feeling an outsider gets when reading the Russian press.

A liberal may support military action against scruffy minorities; the Russians would say he is merely making his own mind up about things. And then there is the nonchalance, a permanent characteristic in much of the press, but even more striking now than at what might laughably be described as normal times.

These times are unusually abnormal because of what is officially described as the "situation in and around Chechnya". *Komsomolskaya Pravda*



argued that the root cause of the problem was what it called "the lack of a clear-cut national policy" on the part of the Russian leadership.

*Rossiskoye Slovo*, as a government paper, can usually be counted on to take a "patriotic" view of such military actions. But last week it carried a subversive interview with the leader of the neighbouring republic, Ingusheta, who argued, among other things, that it was impossible to do away with the Chechen people, and when everything was settled, different peoples would have to live side by side again.

Ingusheta solemnly noted that the "most striking feature" of Russian politicians' actions was their "inability to work out how the future might develop".

Comparisons are always difficult, but the response of the Russian press seems a good deal more dispassionate than its counterparts in Britain at the time of the Falklands campaign, or in the US during the Vietnam war.

There is also the apparent refusal of propagandists to play the patriotic card - "Stand by our boys" is not a phrase that jumps off the editorial pages. In fact one almost has the impression that the war is going on somewhere else between other peoples.

This all makes nonsense of the allegations that Russia is moving back to the bad old days. Yeltsin, or whoever is in

charge, may behave like a Tsar or Stalin but he has no power to ensure compliance, yet alone agreement, on the part of the population or the media.

If one wants to find encouraging signs for Russian democracy, the Chechnya affair, paradoxically, provides it. On the other hand there are few signs that the media are playing a positive role in other matters.

The Chechens have always been regarded as bandits and mafiosi by the Russian public

in general and the reporting of the war seems to do little to dispel that image. There is also a shortage of analysis of the root causes of the dispute.

In the west we have been treated to a number of *ad hoc* history lessons, ranging from Tsarist attempts to subdue the northern Caucasus to Stalin's depredations. Suddenly we have had to become familiar with yet another group of people of whom we have never heard.

And suddenly, in my restless searchings through the columns of the European press, I have had to learn all kinds of versions of the simple word *Chechen*. Only the Spanish do the decent thing and spell it right. There is the appalling German *Tschetschenische* and the Dutch *Tsjetsjeense*, twice as long as the over-simple Italian *cecece*.

Unfamiliar topics mean it is easy enough, perhaps, to gaze down at a foreign journal in any language and not have the slightest idea what it is writing about, even when one knows the language. I never actually asked Boris Fyodorov if he understood those bizarre words that produced such an unusual tape.

James Morgan is economics correspondent of the BBC World Service.

**Insignia Cufflinks, Brooches & Tie Slides**

available in 18 carat gold. Prices range from £7.50. Free colour brochure on request.

**SPINK**

PO Box 4000, 4000 Kingsway, London NW4 4EX. Tel: 0207 4000 4000. Fax: 0207 4000 4000.



## PERSPECTIVES

# Rocket men plan to go with a bang

John Griffiths meets the teams aiming to set a supersonic land-speed record

It is nearly 12 years since the three of us - Richard Noble, Mike Hearne and I - stood, nerves jangling, around the nose of a 27ft-long jet car in the empty vastness of Nevada's Black Rock Desert.

Hearne and I had leapt out of our Jaguar chase car to release the hatch freeing Noble from the metal cocoon in which, less than a minute before, he had overtaken us with such contemptuous ease. When you are already scooting along at 130mph, it is disconcerting to be passed by a vehicle going 500mph faster.

But had Noble gone quickly enough in his 34,000 horsepower Thrust 2 to bring back to Britain the world land speed record lost to America in 1970?

He had, driving at an average two-way speed through the measured mile of 633mph, to become the fastest man on earth.

Now, after 12 years of empty threats and unfulfilled promises from would-be rivals, the desert is about to boom again.

This time Noble and his team face a race not only against time - the goal is to travel the measured mile in under five seconds and time, for the first time, supersonically - but against five challengers. These include McLaren, the grand prix motor racing organisation. All have developed, or are developing, jet cars.

One rival, the \$6m (£3.5m) Aussie Invader 2, has already reached nearly 550mph on a dry lake near Adelaide. Later this month its driver, Rosco McGlashan, plans to start his final push into that perilous zone of shifting transonic airflows which - as Noble found out more than a decade ago - will make the next 100mph at least as difficult as the first 500. Thrust 2, we now know, came within 7mph of going into an airborne flip at 40 times the force of gravity which Noble could not have survived. This time, at 46, he has organised a competition of aircraft pilots to decide who will drive in his stead.

McGlashan aims only to take Noble's record. He does not plan to go supersonic. Nor does Green Monster, from the veteran Art Arfons, an American former-LSR holder. The same applies to American Eagle, a lightweight jet car packing a mere 3,600 horsepower, based on drag racing experience.

But both McLaren and five-times LSR holder Craig Breedlove, in an all-new Spirit of America, share the determination of Noble's team to be the first to travel on land beyond the speed of sound.

McLaren and Breedlove have indicated a desire to reach 1,000mph. Noble has declared a target of 850mph on the grounds that posterity will regard the sound barrier (roughly 750mph at desert level) as the LSR's biggest watershed.

Yet in design specification and raw power, Noble's Thrust SSC (for supersonic car) concedes nothing to its rivals.

Much of McLaren's Maverick project - with a reputed budget of \$5m, 10 times Noble's - remains shrouded in secrecy. But its power source is known. It will use a Rolls-Royce RB199 engine of 20,000lbs thrust, roughly 40,000 horsepower. Breedlove's car has 24,000lbs, a shade under 50,000 "horses".

In comparison, Noble's design team has created a monster. The SSC is 53ft from nose to tail. It has more than 100,000hp, from twin Rolls-Royce Spey 202 engines normally fitted to Royal Air Force Phantoms. The SSC's engines are a souped-up version which, following the RAF's 1993 decision to dismantle its Phantom squadrons, never found their way into actual aircraft.

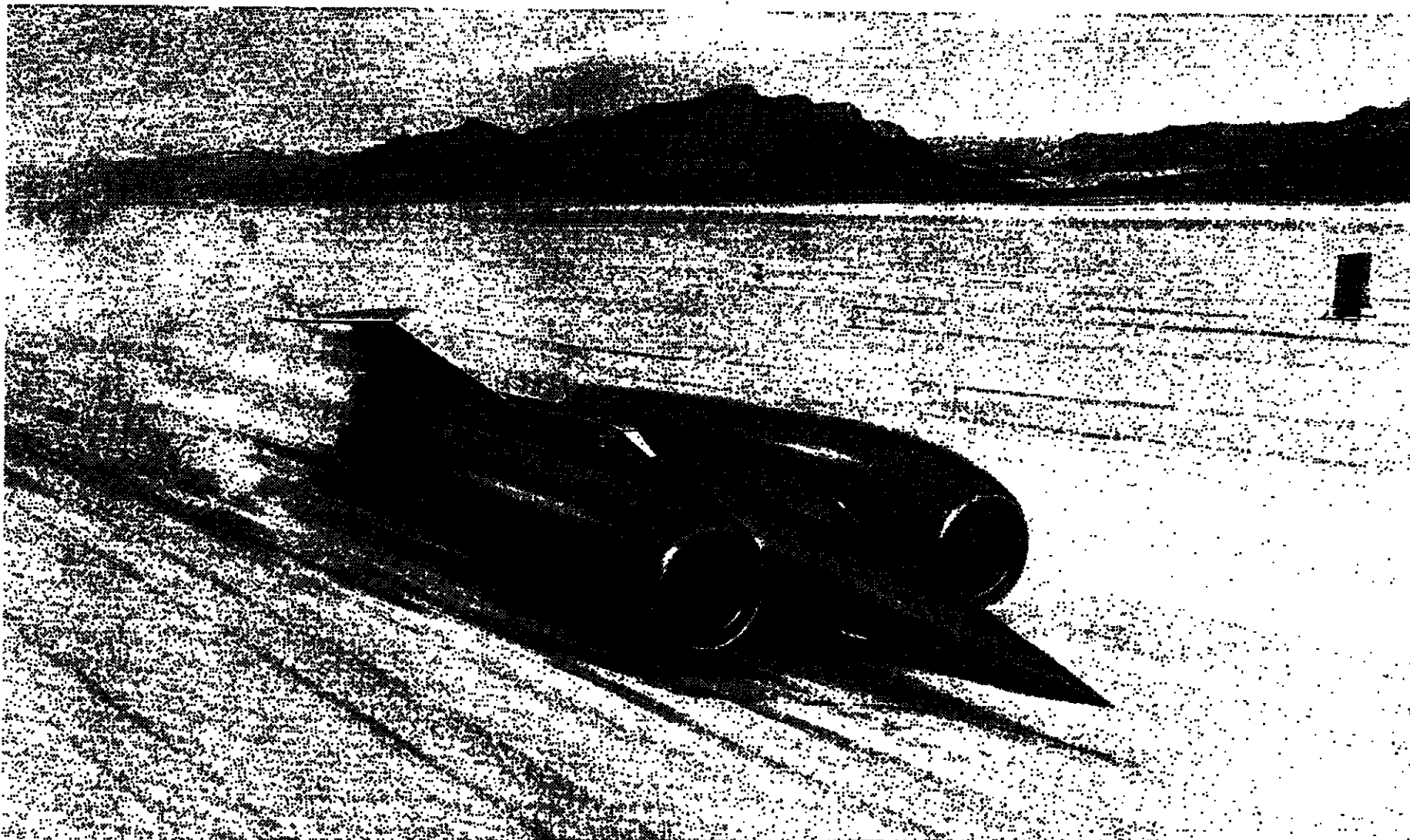
SSC's construction is already well under way in Sussex by G-Force, a grand prix and IndyCar motor racing components manufacturer.

When a full-size mock-up was prepared in the open air for last October's Birmingham motor show, helicopters diverted for miles to "buzz" it so that passengers could speculate about the car's purpose.

Designing a car that travels at supersonic speeds presents huge aerodynamic problems. It is vital to know what is happening to airflow between car and ground, and until the SSC project began no data was available, as neither the motor industry, nor indeed anyone else, had felt any need to research supersonic land travel.

By last year, Noble's design team, led by Ron Ayers, had created a concept and tested the supersonic airflow using computer modelling.

But with so much at stake, it was vital that theory should be matched to practical experience. Noble arranged a collaboration with the Ministry of Defence's Proof and



Two jet engines and not much else: the SSC will aim to hit 850mph in the Nevada desert

Experimental Establishment at the Pendine sands on the coast of south Wales. Smooth sheeting was laid between the rails on nearly a mile of rocket sled test track normally used for missile testing. This created a simulated "roadway" along which an SSC model could be fired. Electronic sensors measured pressures and airflow around the model.

It was the first time such a test procedure had been used. It was an agonising time for the team: if the test data correlated closely with the CFD theoretical data, SSC was a goer; if not, it was back to the drawing board for a new concept.

The SSC model was accelerated by rocket boosters to 800mph in 0.8 of a second. Its needle nose repeat-

edly skewered seagulls unwisely using the track for a rest. "But," said Noble, "the correlation between test and CFD data has proved remarkable; we have every confidence that SSC will work."

In spite of its size - almost double that of Thrust 2 - the SSC will offer less resistance to the air than its predecessor. Thrust 2 had its single jet engine mounted centrally, with Noble's cockpit on one side. The need for symmetry meant that a similar space had to be provided on the other side. Noble put in a second seat and gave sponsors 300mph rides.

On SSC, the cockpit is contained within a very slim central body with the enormous engines on out-

riggers on either side.

The slim central pod also carries the rear wheels, arranged one behind the other but slightly offset so that they can be steered. Stability is provided by the wide-mounted front wheels, fitted within the engine pods. Since the huge engine intakes offer no wind resistance when the engines are operating, the main aerodynamic drag comes from the slim central driver's capsule.

SSC's final curves are still being refined on a supercomputer. But, in theory at least, the team believes SSC should slip through the sound barrier with relative ease.

Sponsors will not be able to get a ride this time. Even so, the SSC project is slipping through its finan-

cial barriers with more ease than Thrust 2 did.

The record fell to Thrust almost on the day that its money ran out. Only an 11th-hour plea to core sponsors kept it alive.

Some of those past sponsors have willingly joined in the support of SSC. Castrol is a founder sponsor, as is TI Group, which has again played a pivotal role in the development of the materials for SSC's spaceframe body.

More than 70 companies - most of them British - have contributed to the project. Noble's concept of sponsorship is to provide what he describes as "rolling payback", involving sponsors in media activities during the time that they are

most closely involved with the project.

"Conventional sponsorship doesn't work any more," says Noble. "Everything's over-branded and over-exposed."

The team still has to raise more than £1m, although Noble insists that he does not want the project to be over-funded. "If we got awash with money we'd never achieve the record. It's important that the project stays clearly focused and modestly funded."

He plans high speed trials and a possible record attempt before the end of the year - although the final assault on the sound barrier will probably not take place until 1996.

## FISHER ISLAND. UNLIKE ANY COMMUNITY IN THE WORLD.

In 1925, William K. Vanderbilt II could have chosen anywhere in the world to create his elegant seaside winter estate suitable for hosting captains of industry, presidents, kings and princes.

He chose Fisher Island in Florida, overlooking the Gulf Stream, Biscayne Bay and the skylines of Miami and Miami Beach.

Three-quarters of a century later, Fisher Island has remained absolutely faithful to the original design and purpose William Vanderbilt envisioned for it.

In the last decade, the developers of Fisher Island have re-created the princely lifestyle that flourished on this historic, museum-quality estate.

Today, it offers an array of world-class amenities, including seaside golf, tennis on three surfaces, an international spa, magnificent beaches, fine restaurants, two deepwater marinas, shops and the ultimate in privacy and security. More than four hundred of the world's most prominent families from thirty-nine countries now live in splendid residences in Vanderbilt Style.

Fisher Island, Florida 33109 (305) 535-6071 / (800) 624-3251, Fax (305) 535-6008.

Your inquiry is welcomed and appreciated.



Unlike any community in the world

Residences from \$400,000 to \$4,800,000. Guests of residents are welcome to stay in renowned Vanderbilt Era Guest Cottages and Seaside Villas, from \$425 to \$1,000 per night.

This project is registered with the New Jersey Real Estate Commission, NJREC 904-711 to 716. Registration does not constitute an endorsement of the merits or value of the project. Offer and sell the New Jersey Public Offering statement before signing any share. This is not an offering in any state where such an offering may not lawfully be made. Equal Housing Opportunity.





## OUTDOORS



Bare summer slopes at Verbier, Switzerland. Much of the skiing area in the Alps remained green until the new year...



...then, when the snow finally arrived, skiers in Verbier, and elsewhere, enjoyed 'some of the finest conditions ever known'

Photo: (Shutterstock)

What a difference a few days of heavy snowfall can make. On December 18, a snow report for Oberurgel, Austria, read: "Not at all bad but snow welcome." All that mighty St Anton could muster was: "Resort gradually opening/cannons in use." Valmorel in the French Alps was "expected to open soon".

And in Italy, the upper slopes at Sanze d'Ombria were "still not skiable", while Wengen, in Switzerland, had virtually no snow at all.

At this, a number of British skiers fled to American resorts, which - with the help of snow-making - experienced their usual reliable start to the season.

With virtually no snow in many European resorts in early December, and the cancellation of early ski races including the traditional "Première Neige" in Val d'Isère, the ski season in Europe seemed to

be in a parlous state. From mid-December the telephones in many ski tour operators' offices hardly rang.

"Our phones just went dead for a fortnight," said Andrew Dunn, of Ski Scott Dunn. "But since we returned from the new year break they've hardly stopped." By then, Wengen and Valmorel had "excellent skiing"; St Anton had "lots of new snow"; Oberurgel had "good skiing"; and Sanze d'Ombria's upper slopes were now "good".

Lizzie Norton at Ski Solutions, the specialist ski travel agency, said: "Surprisingly, before Christ-

mas, Courchevel 1850 was pretty disastrous, and Chamouix even worse. In both these resorts, the locals were asked to refrain from skiing to leave the snow for paying guests".

Although the heavy snowfalls in many European ski resorts in early January brought sighs of relief from the ski industry and an expected happy new year to many skiers, there was still anxiety earlier this week about the lack of a good "base" in some areas.

"You still need to choose carefully," said Norton. "The low resorts are still not great, and even

Zermatt, for instance, got virtually none of last week's snowfall, whereas Verbier got masses.

Austria held its breath, too. "We were lucky," said Marion Telling at the Austrian Tourist Office in London. "The snow arrived in the nick of time." And Heidi Reiss, her counterpart at the Swiss Tourist Office, said: "Serious snow has arrived at last."

"The panic is over," reports Andy Perrin, Marketing Director at Crystal Holidays. "But then wise skiers have known for a long time that it's always possible to go skiing somewhere in December, come

what may. You've got to use your head and study the brochure carefully. It's all about flexibility."

"In mid-December we had no snow in Wengen (Switzerland) so we sent Wengen clients to Saas Fee and Verbier instead. In Austria we 'rescued' people from Niedereau, Itter and St Johann in Tirol and took them skiing in Kaprun and Scheffau."

Amie Constantinou of Inghams agreed: "Bookings during the first week of January went through the roof. Apart from the week of February 11, February is very busy with

half-term holidays, and March is now selling fast."

At Flexiski, Sarah Robertson said: "December was disastrous. But post-Christmas proved to be hectic beyond our wildest imagination."

"Those brave enough to book in advance either cancelled or postponed their holidays or switched to resorts where a few flakes had fallen. When the snow finally arrived, skiers in Verbier and Courchevel enjoyed some of the finest conditions ever known."

John Denham at Powder Byrnes said: "The snow shortage slowed

things up quite a bit, but with frost and then snow on windscreens in England and at last snow falling in Europe the phones are now ringing again in earnest."

And at Bladen Limes, managing director Paul Chase Gardner reported that although the "absence of snow in many resorts" earlier in December - when "Val d'Isère and Tignes were something of an island of decent skiing" - was having an impact on bookings, "we have passed last year's level of business with a day to spare."

According to Lizzie Norton, even though there is now good skiing, it is "still too early to say if the snow that has fallen will last - it certainly needs more in order to build up the base".

And the heavy snow coupled with the lack of a good base means conditions have been more treacherous than usual, with a number of avalanche deaths.

Book with caution; ski with caution.

## Skiing

## 'Leave the snow for the guests'

With not enough to go round until recent falls, Arnie Wilson reports on a mixed start to the season

## Gardening

## Plant now and quell the seeds of doubt

Robin Lane Fox looks at annuals

On Desert Island Discs, one of the UK's best-known radio shows, Penelope Hobhouse explained recently why her love of gardening is augmented by the pleasure of looking ahead. Mid-January gardeners know exactly what she meant. Rain is attacking on one side, frost on the other - yet, next summer stretches before us all, within reach on a raft of seed catalogues.

Too many amateurs are scared of seed-sowing, or think of it as a chore which the superstitious have eliminated. They are quite wrong. Seed-sowing makes the difference between an ordinary-planted garden and a fascinating one.

From seeds, experiments can be short term and large scale without being ruinous. A year can always be rescued by its annuals, and one concentrated burst of effort in the next month sets you apart from those who shop for pre-grown pansies in a supermarket at late notice.

Among the many catalogues, two are my mainstays and the sources of everything I would mention: Chiltern Seeds, of Bortree Style, Ulverston, Cumbria LA13 7PB (0229-581127), and Thomson and Morgan of London Road, Ipswich IP2 0BA (0473-688821).

Among the hundreds of possibilities, the annual which has given me the most pleasure in the past two wet and dry seasons is the white verandium from Thomson and Morgan which circulates as Queen of

Veldt or African Queen. It is foolproof, half-hardy and spectacularly good in any sunny place, showing the most exotic markings to its big white daisies.

It is not necessary to sow this winner until late February: meanwhile, you can put an early start to use by ordering at once and sowing immediately for a blue August.

Every year, I wish I had raised more plants of the half-hardy *Salvia patens*, which is best in its electric blue form, not its pale Cambridge alternative. It is never riotous or smothered in flower, but visitors to Fowls Castle and its wonderful gardens will know that it is spectacular in late summer if massed into a narrow bed or fitted in groups of five down a border.

The earlier you start its easily-raised seed, the better the plants become. I aim to end up with 30 or 40 plants from two seed packets, grown-on in individual pots for planting late in May.

Its rival among the blues is the lesser-known *commelina*, which also needs to be sown by the end of the month. Plants will be turning up on stalls at 23 each in mid-June but, if you start at once, you can grow 50 times as many for the same price. It is now really hardy, but the blue flowers are wonderfully intense at a height of only a few inches and they look wonderful in a small pot of their own.

This year, I am trying the Mexican tuberous form, which spreads more widely

A beauty for late summer: the under-appreciated *Chrysanthemum uliginosum*

and is unknown to me. Be warned that *commelinas* close their flowers at bedtime, but they light up the front of a flower bed when you are not at work. I find they look particularly good beside pale yellows.

This week, I think it is more helpful to concentrate on seeds which need an early start. An easy mistake is to begin the wrong varieties too soon and to have them fretting in boxes for too long before the end of May. But early action is appropriate for two special favourites, *chrysanthemums* and *delphiniums*.

I am certainly not thinking of the familiar forms for exhibitors, but of types which flower more freely than the grand names in their families. Sown soon, *Chrysanthemum uliginosum* makes an excellent plant by late summer and is remarkably under-appreciated, although its big white daisies, with their green centres, are such a relief at a serious height.

I find that it does not insist on damp soil, a preference which is sometimes held against it. It likes a rich place, in which it revives borders where roses have gone over and need something other than white mallow at a decent height. The plants from seed

will then persist for many more years after flowering in their first season.

The *delphiniums* are at the other end of the range - not the tall spikes of high summer but the small, long-lasting varieties which make economic sense only from seed. Last summer, I was sent an expert nursery hand-out announcing *delphinium Blue Butterfly* as the lazy man's plant of the future - at only £3.20 each!

It would certainly be the lazy nurseryman's life-line because you can raise 50 plants of this neglected winner from seed at half the price. I strongly recommend this Chinese plant, which flowers repeatedly in a shade of the most intense blue at a height of only 9in.

*Delphinium grandiflorum* Blue Dwarf is possibly even better, a Chiltern Seeds speciality which will also persist for years after flowering at a similar height on a sunny-sharp soil. I have decided to go for broke with scores of seed-raised plants to fill space among the alpine after the early season. Both varieties will last for several years, being "annual" only in the best sense of getting on with things in their first year.

I intend to make one early sowing among tobacco plants. Shops no longer sell the two

essential tall whites, *affinis* and *syvestris*, both of which can wait to be sown until mid-February. I am intrigued, however, by *Nicotiana glauca*, which Chiltern is describing as a neglected form from the Andes. Apparently, it will reach 6ft and carry huge clusters up to 2ft long of tubular flowers in shades of yellow, green and dark green.

Height is always a problem among seed-raised annuals and I cannot resist this experiment, together with the smaller, lemon-yellow blooms of a minor sunflower, *Helianthus debilis* Vanilla Ice, which I already know to be excellent.

Perhaps, like Penelope Hobhouse, you like the idea of looking forward but cannot quite muster up the patience. If so, go Japanese and try something which I did not believe until even I made it work as promised.

We all love Sweet Williams when we see them early in June, but most of us forget to sow them in July and grow them on laboriously for flowering in the following season. You can now buy a variety called Extra Early Kurukawa which flowers within 18 weeks of sowing and gives you deep red flowers with white markings in great quantity on good, clean plants.

## The Nature of Things / Clive Cookson

## Unpredictable genes

Take a pale purple petunia and add more genes for the pigment that puts purple into the plant's petals. That sounds like a reasonable recipe for producing deep purple petunias by genetic engineering.

In fact, the experiment produces an extraordinary variety of colours, with some pure whites, many white-and-purple patterns and a few of the expected deep purples.

The outcome amazed scientists who carried out the first experiment at DNA Plant Technology, a Californian biotechnology company. Its implications are being studied throughout the fast-growing plant biotechnology industry with a mixture of unease and excitement.

The petunias were showing a phenomenon that turns out to apply widely to the genetic engineering of plants. If you add several copies of a new gene to a plant, these might not have a cumulative effect; they sometimes cancel each other out. And if you add more copies of a gene that is already present, it may be switched off rather than enhanced.

The effect is too new for researchers to have settled on the terminology. Some call it "co-suppression" or "sense suppression" but we'll go for "gene silencing", a more evocative name for non-scientists.

Silencing is potentially a useful technique for suppressing genes that have unwanted effects. DNAP hopes to capitalise on its serendipitous discovery, by developing long-lasting fruit and vegetables which do not make an enzyme that makes them rot.

Its first product, a long-life tomato, will go on sale in the US this year. Zeneca of the UK has used the same technology in collaboration with Nottingham University to produce a non-rotting tomato for processing into pastes and ketchups.

Both provide competition for Cargill's much publicised Flavr Savr tomato which was produced by "anti-sense", a different genetic engineering technique. DNAP and Zeneca

are also using gene silencing to develop more durable peppers, pineapples and bananas.

On the other hand, silencing may be a problem for seed companies that are creating transgenic crops by adding new genes - for example resistance to pests, diseases and environmental stresses such as drought and cold. With the methods of genetic engineering available today there is no way to control the number of copies of a new gene added or the position in which they are inserted among the plant's existing genes. In some cases at least, the genes may cancel each other out.

Another spectre raised by the phenomenon is that of silencing of genes already present in a plant, it may be switched off

If you add more copies of a gene already present in a plant, it may be switched off

scientists studying silencing is that of instability. Occasionally the introduced genes act in an unpredictable way, switching on or off as the plant grows; a transgenic petunia plant, for example, might have some white and some purple flowers.

One plant biotechnologist who believes that the industry should take silencing seriously is Dick Flavell, director of the John Innes Centre in Norwich. "Gene silencing has been observed with two dozen genes in six to eight different species and I would not be surprised if it were a general biological phenomenon in plants," he says. "The question is whether there will be any significant level of instability in transgenic crops."

On the other hand, seed companies such as Zeneca and Ciba of Switzerland say they have done enough field trials already with transgenic plants such as tomatoes and maize to show that instability and unwanted silencing will not harm performance in practice.

They produce enough plants to reject all the ones that do not show the desired trait during the selection and breeding process. Seeds that reach the market will have proved their genetic stability through several generations.

"This effect is fascinating because we do not understand at all how it works," says Don Grierson, a Nottingham University professor working with Zeneca. "But on the practical commercial level, stability will not be a problem."

One reason for the scientists' fascination is that the new silencing phenomenon seems to be the exact opposite of the anti-sense technology that was first developed in the 1980s to switch off genes. In anti-sense, the genetic material is inserted in the "complementary" or reverse order to the original gene; this binds to it and inactivates the gene.

While scientists can produce diagrams to show how anti-sense works, there is no easy rationalisation for sense silencing. "There may be several mechanisms at work here," Flavell says.

One possibility is that plant cells have a way of detecting unusually high levels of messenger RNA, the chemical produced when a gene is transcribed. They may respond by making an enzyme to destroy that particular type of RNA - which would prevent transcription and inactivate the gene. Then silencing would take effect only in plants that contained more than one copy of a particular gene. If you wanted to add a trait, you should select plants that have just a single copy of the new gene.

The evidence so far suggests that silencing applies only to transgenic plants. There has been no sign of the phenomenon in genetically engineered animals. But these are early days, and medical researchers who are planning to treat human diseases through "gene therapy" should bear in mind the experience in plant biotechnology, if they have any failures that are otherwise inexplicable.







## SPORT

Tennis / John Barrett

# Agassi goes for the hair trick

There is a new look about the 1995 Ford Australian Open which begins next Monday in Melbourne. For a start, the prize money of A\$2,400,000 is a record, 6 per cent higher than last year. That lot has attracted 18 of the top 20 ranked players in both the men's and women's singles to make the fields the strongest ever.

There is evidence of a new look, too, at Flinders Park itself. Clearance work has begun for stage two of Tennis Australia's ambitious development programme. This A\$23m expansion across the railway sidings will provide two new stadium courts, eight match courts, a clay court, a function centre, and car parking.

There is also a new look about Andre Agassi who will be competing here for the first time. He has cut off all his hair. From the top of his head, that is. As if to compensate he has also grown a short beard. It takes a bit of getting used to.

Yet there may be method in the apparent madness. You remember the great body-hair brouhaha at Wimbledon a couple of years ago? All that tongue-in-cheek talk of aerodynamic efficiency? This latest ploy - the advanced tonsure tactic - brilliantly focuses attention on Agassi and upstages the opposition. Yet Andre insists that the whole thing was done on a whim. "There was no special reason," he says. "I was just getting tired of all that hair and wanted a change."

Mind you, the crew cut is practical for an athlete competing in the heat of an Australian summer. This week the shade temperature in Adelaide was in the 90s when Agassi practised for the Adelaide International Challenge.

This event and another at the old Kooyong Stadium in Melbourne have devalued this week's New South Wales Open, the traditional build-up tournament to the Australian Open. At Kooyong, the organiser, Colin Stubs, has laid a Rebound Ace court over the grass to provide match practice for eight men who include world No.1 Pete Sampras.

The Sydney tournament was saved by the spectacular Australian debut of the 14-year-old Swiss miss, Martina Hingis, the holder of the French and Wimbledon junior titles. Hingis beat the experienced Patty Fendick in her first WTA Tour appearance last October in Zurich. In Sydney she showed her competitive mettle by coming back from 2-4 in the final set to beat Meredith McGrath, ranked 36.

It was all achieved with the minimum of fuss and the maximum of nerve and technical expertise. Asked afterwards what she considered were her best shots, she replied: "...My concentration and my self-confidence." These were the most revealing comments I have heard since the razor-sharp replies of the remarkable Monica Seles when, aged 15, she had scared the pants off the Grand Slam girl, Steffi Graf, in the semi-finals of the 1989 French Open.

The absence of these two great champions from Melbourne is a blow to the women's game. Seles, still mysteriously silent about her intentions while she initiates one law suit and defends another, may never compete again. Defending champion Graf, injured once more, must also have a question mark over her. Her recent calf injury coming on top of the strained back

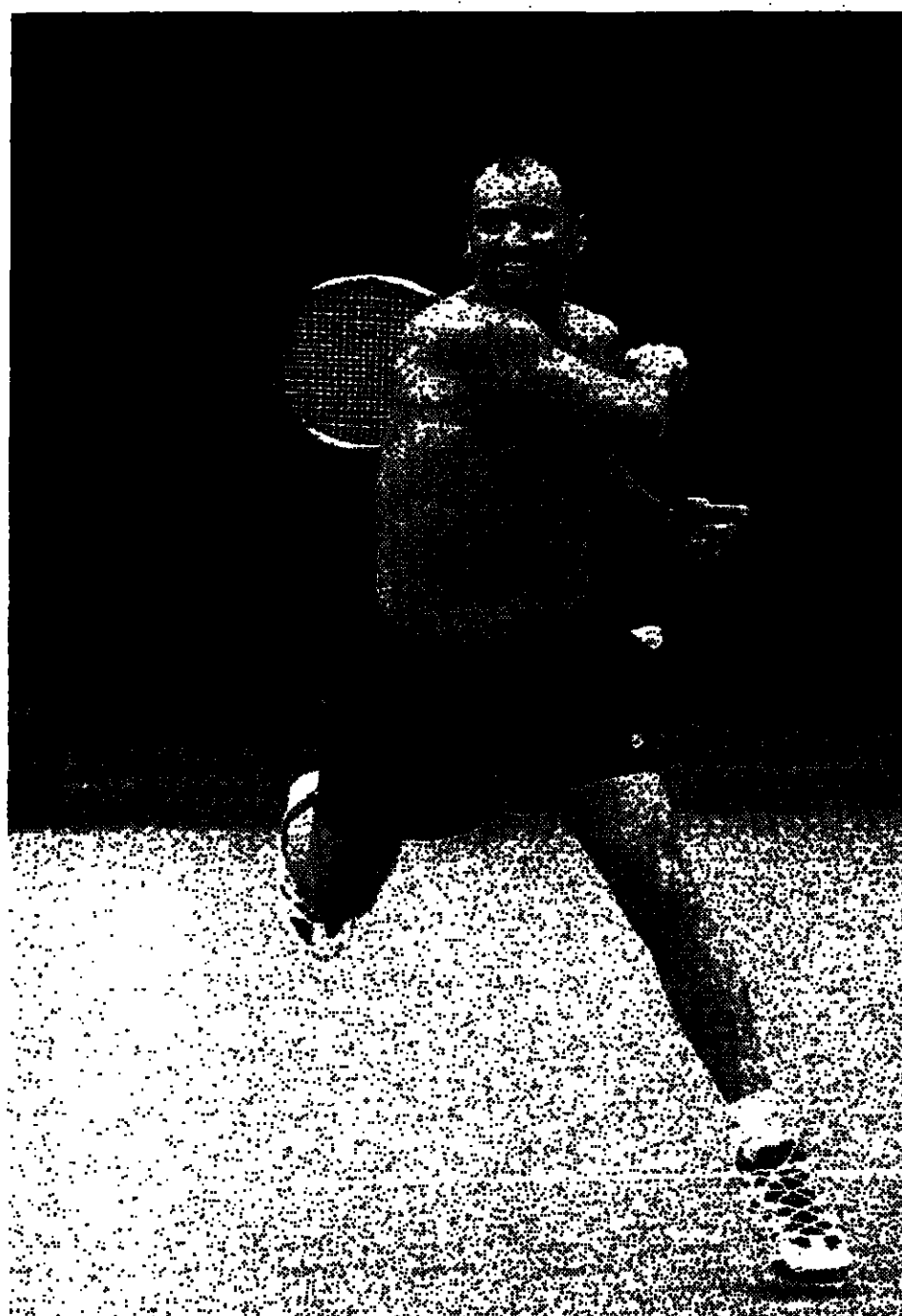
that ruined the second half of 1994 for her, is another blow. "I'm very disappointed to miss the Australian Open... that's not the way I wanted to start the year," she said. "But my first concern is to be healthy."

The two healthiest looking men are Jim Courier, who won the singles and doubles at last week's tournament in Adelaide, and Edberg who equalled that feat in Doha.

Both have a new outlook. Courier, wiser and more relaxed at 24, is happy to have won his first tournament for 17 months. "In the past I've tried to push myself too hard. Now I'm going to practise in the morning then maybe play a little golf in the afternoon instead of more practice. Life can't be much better than being a professional tennis player. It's time for me to start enjoying it all again."

Edberg, 29 next Thursday, also wants to enjoy the last few years of his career. He ended his 10-year association with British coach Tony Pickard last December and this year will travel more with his wife Annette and their daughter Emily. "I guess I know now what I have to do," he said. "I'm really enjoying my tennis still and I'd like to win another Grand Slam. If I stay fit there's a good chance I can do it."

Becker will be one of the men trying to prevent it. His form at the end of 1994 suggested that his association with Agassi's former coach, Nick Bollettieri, begun last February, has reignited the competitive fires. In a blazing finish to 1994 he lifted his ranking to No.3 and made no secret of his ambition to leap past Agassi and Sampras to regain the No.1 spot, which he held for 12 weeks in 1991 following his only Australian Open win. The best outsider? Sweden's



Tonsure tactic: Andre Agassi has again used a close cut to focus attention on himself

newest hero, Magnus Larsson. On the evidence of his performance in winning the Compaq Grand Slam Cup - and in the process downing Agassi from the back of the court (I am

glad I saw it, otherwise I would never have believed it!) - established him as a man of substance.

In the absence of Graf, the women's title and the No.1

world ranking seem to be at the mercy of Arantza Sanchez-Vicario. If the 22-year-old Spaniard does win the tournament, that prestigious prize will be hers. Not before time.

driving back the same day. In those circumstances it more than makes up for being a bit of a hike to get there.

The EGU's executive council convenes next week to make a final decision. Perhaps Baxter's concluding words deserve to hold sway: "I had one man on the phone who said to me: 'I play golf at my club on Wednesdays, Fridays, and Saturdays and I don't play anywhere else. Why should I contribute to this scheme? How is it benefiting me?'"

"I told him that if everyone took that attitude there would hardly be a golf course in the country. My club Sherwood Forest, which celebrates its centenary this year, was started by four men sitting in a pub. Their legacy is one of the finest courses in the area and enjoyed by all the members and visitors."

"It's the same principle here. For the price of a golf ball, each member of a golf club has the chance to put something back into the game so it can be enjoyed, not just in the present but by all those golfers who follow in the future."

Golf / Derek Lawrenson

# English plan spa of youth

contribution of £3 from every golf club member to enable the EGU to try Woodhall Spa in Lincolnshire, perhaps England's best inland course, and turn it into a national training centre and academy for the country's best young golfers, with a further 18 holes being built on adjacent and similar land for green-fee paying visitors. The cost was estimated at £8m.

There is no disputing the quality of Woodhall Spa. It is owned by Neil Hotchkiss, the former President of the EGU. It was built on land by his father and possesses a sumptuous backdrop of mature trees and banks of gorse and heather. Where better to create something that would stand as a testament to the achievements of the present generation and to help the game look forward rather than back?

Paul Baxter, the EGU secretary, says feedback from letters and phone calls has been 90 per cent in favour. Are the other 10 per cent the frothing retired majors of legend who greet the news of any progress in the game with all the joy of a missed 5ft putt? No. Ironically, the owners of the proprietary clubs that have sprung up in recent years, and who invariably have a more liberal approach to the subject of both women and junior members, are the main objectors. Having spent millions building their own courses, they are unhappy at being asked, through their members, to contribute to what will amount to a competitor.

There are two other concerns. Is the EGU overreaching itself? Many want to know why a

body with liquid assets of just £1m wants to get into the hazardous golf property business. What if the scheme runs into financial trouble? Will all golf club members have to keep paying to bail out the EGU?

"This isn't a new golf course development as such," says Baxter. "Woodhall Spa is highly regarded throughout the world. The game of golf would have to hit the deepest recession before people stopped going there. If we don't get the grants we've applied for to the Sports Council, the National Lottery and the European Community, subscriptions from golf club members would be our only other source of revenue but even so I think there's more chance of the £3 levy being reduced rather than raised."

The other objection is the

location of Woodhall Spa. What is the point of building 18 holes and a national training centre at a place that, however pretty, is hard to reach from England's main population centres?

Says Baxter: "We must have obtained details of about 150 courses in England and location was a factor. But it was not an overriding concern. Take the Belfry [near Birmingham], for example. You couldn't ask for a better location. But the land around it is swish and it is almost impossible to find accommodation for less than £80 a night."

"The EGU is an amateur organisation and a prime factor was being able to offer a range of accommodation. Woodhall used to be a spa town and there are 400 beds within seven miles. Most of the people attending will not be

Sailing / Keith Wheatley

# Return of old sluggers

John Bertrand today embarks on a comeback trail that could make him the George Foreman of sailing. As skipper of *oneAustralia* the tall, intense Melbourne helmsman is favourite to win the Louis Vuitton Cup in April and become the official challenger for the America's Cup itself.

In September 1983 Bertrand, then 34, ended the longest winning streak in sports history. US boats had defended the Cup successfully for 132 years until Bertrand and the winged keel of *Australia II* (manned by the then high-flying Alan Bond) defeated Dennis Conner off Newport, Rhode Island. Bertrand wrote an international best-seller, *Born to Win*, and left the sea to become a businessman in the energy field.

However, some little itch (plus, perhaps, irritation caused by the dribbling given to the Australian entry in the 1992 Cup) has led Bertrand back to the fray after a 12-year absence. Sponsorship from Philip Morris gave Bertrand's team ample funding and he went shopping for the design group Reichel/Pugh whose spectacularly fast *America* won the 1992 trophy for Bill Koch. To helm the boat, the skipper persuaded Rod Davis to leave his adopted New Zealand and move to Sydney.

The results were on display in the warm-up regatta off San Diego last November. *oneAustralia* won five out of seven races, coming second in the others. Even Dennis Conner described the boat as "impressive".

"The conditions were the standard San Diego 7-12 knots of breeze, with an ocean swell. It was in the lightest end of this range that *oneAustralia* looked particularly fast," said Paul Cayard, one of the most knowledgeable observers around. Cayard was skipper of *Il Moro* from Italy in 1992 and will sail with Conner aboard *Stars & Stripes* this year.

Other front runners among the eight challengers are likely to be the two New Zealand entries and Marc Pejo's team from France. The latter has engaged Harold Gammare, one of Britain's most experienced big-name sailors, to advise on strategy although he will not sail on the boat.

*Team New Zealand* is the entry from the Kiwi yachting "establishment". Peter Blake is campaign manager and Russell Coutts on the wheel, so this syndicate will be thorough and professional. In 1992 they fell at the last hurdle, losing in the Louis Vuitton final to *Il Moro* as personal politics tore the team apart.

Bruce Farr, the designer from that 1992 campaign has teamed up with Chris Dickson, New Zealand's talented "bad boy".

Farr is the most successful designer in international yacht racing, and could have sold his talents for a far higher fee elsewhere. Farr's input is the best endorsement Dickson could have. However, until Tag Heuer, the watch company,

came in with sponsorship of around \$5m just three months ago, Dickson's one-boat campaign was looking like little more than a two-fingered gesture to sailing's bourgeoisie. He had just enough money to build the yacht but none to ship it to California.

Dickson is happier with lean and mean campaigns. He proved it with *Tokio*, which dominated the first four legs of the last Whitbread race before being dismasted off Brazil. This time Dickson's crew is young and hungry. He says it reminds him of the NZ team in Fremantle in 1987 where he was the wunderkind helmsman, aged just 23.

"People remark on how efficient our organisation is, with an all-up crew of around 45. I think that's going to be the norm. In the Cup three years ago 65 to 70 constituted a small team, with several going to 100, and the heavyweights near 200 people," said Dickson. The latter reference is primarily to the *America* team, the defending champions.

Koch spent \$65m of his fortune and admits that the whole enterprise became bloated and

grotesque. It has changed out of all recognition, gender being the biggest difference, as every sailor aboard *America* is female. This is the first time an all-woman crew has raced at this level in sailing. The doubts over physical capacity quickly faded during the November regatta, but this crew is still prone to failures in decision-making and boat-handling. But many of the crews *America* are racing against have sailed together for a decade, whereas the women have only had six months.

"There's no question that these women are going to come on strong and be a formidable team," said Bertrand.

Finally, there is Dennis Conner. This will be his third America's Cup off San Diego, and his Cup experience stretches back to Newport in 1970. Conner's campaign is well-financed. He is going to be hard to beat.

*Stars & Stripes '95* was launched in November, too late for the warm-up regatta. The design looks radical, with no transom or side-decks, just a huge scooped-out cockpit. Conner's greatest strength is his ability to develop speed through a long regatta, learning from his opponents.

The form book tells us to expect to see Bertrand versus Conner in May, a replay of the 1983 America's Cup. It was the most exciting, snarlingly blooded contest in sailing history. Perhaps we will be lucky again.

Motoring / Stuart Marshall

# Road to the future

Looking at motoring prospects for the next 12 months is easy. I did it last week. But five years ahead is different.

Who, for example, would have foreseen early in January 1990 that, by 1995, many British buyers (and even more user-choosers) would not consider a car unless it had a driver's side air bag? That almost one new car in four would be a diesel? Or that petrol prices would have got uncomfortably close to the £3 gallon? (Few of us thought in litres then).

The Automobile Association has had a stab at picturing the motoring scene in Britain five years hence. David Lang, its chief engineer, is on pretty safe ground when he forecasts that in 2000 we will be driving cars that are safer, greener and cleaner than those of today.

Of course we will - although, in passing, I cannot help wondering why so many anti-car lobbyists overlook - or

prefer not to acknowledge - how much the industry has done to clean up its act. How many ardent and vocal environmentalists face facts about the Morris Minor 1000s and Citroën deux chevaux they drive? In reality, they are dirty little beasts compared with modern cars, which have toxic emissions 90 per cent less than those of a 1970 model.

Lang sees developments in three main areas: emissions, safety and information, and guidance technology. He thinks electronic engine management will reduce diesel car emissions even further.

Vacuum systems at filling stations will suck up the unpleasant petrol vapours that now escape into the atmosphere when drivers fill up. Engines with a cylinder capacity of more than two litres will be replaced by smaller ones with variable valve timing to increase their torque, or pulling power. (Honda produces them already.)

Lang expects vehicles powered by alternative fuels such as electricity and gas to be a common sight around cities. What he does not say is that this will happen on a significant scale only if legislators ban petrol and diesel engines from the most sensitive areas.

On safety, he forecasts that all mid-range cars will have anti-lock brakes and air bags protecting drivers and passen-

gers from side as well as frontal impacts. Radar-linked active braking systems will prevent many collisions from happening at all.

As someone who is defeated regularly by the complex in-car entertainment systems (I dare not speak of the radio, even less the wireless) of the many cars I drive, I am not so sure about Lang's third set of predictions. He thinks radio data systems (whatever they may be) will flash up traffic and weather information on in-car screens.

Satellite/radio navigation computers will give drivers the best routes for a journey, based on up-to-the-minute traffic conditions. And on-board diagnostic equipment will warn drivers if mechanical faults are developing - and tell mechanics how to fix them.

Well and good. But if they are to be of any use to people like me, they will have to be a great deal more user-friendly than today's automotive - and, for that matter, domestic - electronic marvels.

Then, too, any information displays should surely be "head up". In other words, they must not involve lowering your eyes from the road ahead. Otherwise, their convenience will be out-weighted by the added risk of running into the car ahead - unless, of course, the car has radar-controlled active brakes.



Ford's 1995 Escort is not a completely new car but more of a thorough mid-life upgrade to ensure it remains Britain's best seller and competitive with newcomers such as the UK-made Honda Civic.

The main cosmetic changes are to the front end and the interior. Both now have more than a touch of

the successful Mondeo about them. Suspension and steering changes are said to provide more precise handling, better roadholding and ride comfort.

Power-assisted steering is standard on LX model Escorts and above and an option on all the cheaper ones apart from the entry model. This was once known

simply as the Escort but is now called the Escort Encore.

There are five body styles: three-door and five-door hatchbacks, five-door estate, four-door saloon - the Orion name has been dropped; two-door cabriolet and a sporty RS 2000. Petrol engines are of 1.3, 1.4, 1.6, 1.8 and 2-litre capacity, with

power outputs ranging from 60 to 150 horsepower. There are also two 1.8-litre diesels.

Glitz versions (such as the turbo-diesel saloon pictured) have posher interiors than before, with wood-effect instrument panels and optional leather seats.

Ford is aiming them at buyers who want bigger car

ambience in a more compact package. The new Escorts go on sale on mainland Europe early next month and arrive a week or two later in Britain, where every one comes with a free mobile phone. Prices will not be announced until nearer the launch but are unlikely to be much higher than those of the current models.

## MOTORS

HANCOCK LEASING offers the LEASING OF £211.00 per week (including VAT) for 36 months. Demonstrations at your home or office. Tel: 011 436 0005 for details.

JEMCA, London's Largest Dealer for LEASING Tel: 011 203 1000



## FOOD AND DRINK

The FT's Lunch for a Fiver is back. Those who enjoyed their £5 lunch two years ago will have another chance to sample this bargain offer in a fortnight. On Saturday January 28, we will announce the names, addresses and telephone numbers of all the restaurants taking part. The promotion will run from Monday January 30 until Friday February 10 on weekday lunchtimes.

This year more restaurants will be taking part – the total is more than 200 and rising. And the geographical spread is wider too: London, Bath, Bristol, Edinburgh and Leith in Scotland, Clitheroe in Lancashire, Manchester, Chester,

# Let's lunch, for a fiver, £7.50 or £10

Ilkley, Gateshead, Stratford-upon-Avon and Dartmouth are among the places included.

I selected the list of restaurants we invited to take part. The *Weekend FT* has been able to arouse interest among some of the finest restaurateurs – two Michelin-starred restaurants are already signed up – by broadening the scope of Lunch for a Fiver. We offered restaurants the option of a £5, £7.50 or a £10 promotion. This should allow good restaurants to

show off their best cuisine at bargain prices. However, in the true spirit of Lunch for a Fiver some excellent restaurants have chosen to stay at the lowest price. Two years ago, some of these offered very stylish meals for £5 in their main dining room and from their usual menu (although with restricted choice).

This time, we also hope to sharpen the restaurateurs' edge with a competition, judged mainly by *FT* readers. You will be asked to

judge the quality of the meal and service and prizes will be won by restaurants and readers.

So far, the number of restaurants in each price category is roughly equal. The structure of the offer is the same as before, however. Restaurants will provide two courses, with a choice at each course, for £5, £7.50 or £10, inclusive of VAT but exclusive of a third course, coffee, drinks or service.

The *Financial Times* has put up substantial prize money to entice

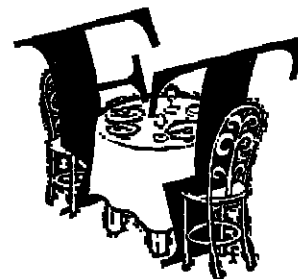
the restaurants to offer their best. For the restaurant judged to have produced the best lunch in the £5 category the prize is £5,000, for the £7.50 category the prize is £2,500 and for the winner in the £10 category, £1,500.

We hope *FT* readers will all help in the judging by completing a simple reply-paid questionnaire. We will also welcome more extended comments. If you want to take part, make sure of your copy of the *Weekend FT* on Saturday January 28

which will list the restaurants in the scheme and enable you to book early.

Do not despair if you miss this issue, because the list will be repeated in the weekday *FT* and in the *Weekend FT* on Saturday February 4.

When reserving your table, you will need to say that you are booking for the *FT* menu. At the end of the meal ask for an *FT* comment card. These will ask about different aspects of the food and service.



If your favourite restaurant is not yet taking part but would like to, please ring Ms Louise Gordon-Foxwell on 071-873 3563, fax 071-873 3072.

Nicholas Lander

## Cookery

## Time for tea and biscuits

Philippa Davenport's panacea for Britain's winter ills

When winter darkness begins to fall in mid-afternoon in Britain many of us feel a primitive urge to close the curtains and shut out premature night. We cheer ourselves by turning on the lights, throwing logs on the fire and putting on the kettle. Time for a nice cup of tea, panacea for all British ills.

Tea, the meal, seems even more desirable than a mere pot of tea – the smell of toasting breads brings added comfort. Teatime is not just for the nursery. Teatime is for grown-ups too. Almost everyone is, as Fay Maschler and Elizabeth Jane Howard remarked in their cookbook, willing "to be ambushed by a tea trolley" at weekends. In fact, the less people indulge in teatime in their everyday lives the more readily they succumb.

Personally, I do not subscribe to the "cream cakes and everything" school. For me the twin delights of teatime are a never-ending stream of scalding amber liquid and the civilising effect of breaking off whatever you are doing to spend a shared half hour or so gathered round the tea table to sip, chat and nibble.

A few crumpets, muffins (I mean English muffins, not the cakey American sort), drop scones or good bread simply toasted are enough to create a little sense of occasion without going over the top. Instead of jam I suggest traditional sweet and savoury butters. Good farm butter made from the milk of individual herds (not factory produced using milk pooled from numerous anonymous sources) will please the sweet-toothed if spread fairly liberally and topped with a sprinkling of sugar generously spiced with ground cinnamon.

For those with savoury tastes I suggest home-made anchovy butter, an all-in-one mixture that outshines Gentleman's Relish and any other commercial version I have tried. To make it simply chop the drained anchovy fillets from a 2oz can and mash them into 4oz butter. A cake seems rather unnecessary so soon after an avalanche of Christmas cake, Christmas pudding, mince pies *et al*. And my taste in biscuits is for plain rather than fancy. No iced wafers, no sandwich creams, no chocolate encrustations for me – though I admit to having inherited a family weakness for petit beurre or small rich tea biscuits eaten in tandem with a bar of best bitter chocolate.

If I am to cook the biscuits myself, my first choice for this time of year is a half lemon, on an admirably simple recipe by Constance Spry – a sweet, shortbready biscuit she made using nothing other than best butter, sugar and flour. Common to all of my variations on her theme is the idea of replacing some of the flour with nuts – nuts ground at home because the more freshly nuts are ground the nuttier they taste, and also because nuts ground at home have a more interesting, rougher texture than those that are bought ready ground.

The rosemary and cardamom versions are recommended not only for teatime but also for serving with simple fruit

dishes such as apple snow, fresh orange salad, baked apricots, and compote of forced rhubarb – the only sort of puddings most people feel able to face after the Christmas marathon.

### ROSEMARY BUTTER BISCUITS (makes 20)

In these recipes the differently flavoured biscuits are all made in the same way. Citrus zest is best whizzed briefly with sugar in a coffee mill. Flavours that do not need grinding (ie cocoa powder and ground spices) and those which you want to retain some of their texture and bite can be mixed directly with the flour.

2 teaspoons finely chopped fresh rosemary; 2oz granulated sugar; 4oz butter at room temperature; 1oz flaked almonds; 4oz self-raising flour.

Fill a mixing bowl with hot water. Whizz the flaked almonds to a coarse powder in an electric coffee mill or the inner mini bowl of a Magimix. Then process the sugar with just half the rosemary to make an aromatic green powder. Empty and dry the mixing bowl. Dice the butter into the warmed bowl and beat until very creamy. Beat in the sugar

then gradually work in the flour mixed with the flaked almonds and the remaining 1 teaspoon chopped rosemary.

Scoop the mixture into a ball, wrap it in food film and chill for 5-10 minutes. Divide the dough into 30 small pieces. Using lightly floured hands, roll each piece into a ball. Arrange them, 10 to a tray, on lightly greased and floured baking trays, and flatten each ball to a large peppermint cream shape using the rounded backside of the prongs of a fork dipped in cold water.

Bake at 350°F (180°C) gas mark 4 for about 17 minutes until golden round the edges. Cool for two minutes on the trays then transfer to a cake rack and leave to cool.

**CARDAMOM BISCUITS:** the seeds from 6 green cardamom pods; the zest of half a lemon; 2oz granulated or caster sugar; 4oz softened butter; 1oz flaked almonds; 4oz self-raising flour.

**COFFEE BISCUITS:** 1/2oz medium roast fairly finely ground coffee beans; 2oz pale muscovado sugar; 4oz softened butter; 1oz walnut kernels or flaked almonds; 3/4oz self-raising flour.

**GINGERED BISCUITS:** the zest of half a lemon; 1 teaspoon or a little more of ground ginger; a generous 1/2 teaspoon each ground cinnamon and allspice; 2oz dark muscovado sugar; 4oz softened butter; 1oz roughly chopped hazelnuts or flaked almonds; 4oz self-raising flour.

A confession: "I certainly oversimplified the case when I wrote in 1982 'Great Burgundy smells of shit,'" writes Anthony Hanson in his long-awaited new edition of *Burgundy* out next month.

And with such a revisionist admission goes one of the most cherished phrases of the last decade in the wine world. He continues, in 1985: "If I perceive decaying vegetable and animal smells, or farmyard aromas, I now mostly find them unacceptable."

All of which serves to illustrate how sharply perceptions of tastes in red burgundy have changed in the last 10 years. Yet, even if we have come to expect our red burgundies to be more cleanly fruity and deeper coloured as a reaction against the thin and often defective offerings of the late 1970s and early 1980s, there is still more disagreement about what really constitutes quality than for any other sort of wine.

Most "serious" wine lovers (you know the sort, those of us with long faces) admit that when red burgundy is good it is physically more thrilling than any other wine.

And what most burgundy enthusiasts are raving about here is that tiny proportion of bottles of mature wine, say 15 or more years old with enough concentration (low yields, please) to have held up in bottles while truly complex flavours develop.

Perhaps because of this, many tasters and all producers of young red burgundy are much more tolerant of the mouth-puckering preservative tannin than I am.

To my palate and bank balance, Bordeaux, the Rhône and Piedmont already offer quite enough bottles of ink to stash away for the seriously long term – what I want from Burgundy is *pleasure*, in spades.

The perfect red burgundy of course expresses that tiny patch of the Côte d'Or that produced it (although how many palates are there in the world that can unerringly pick burgundies blind?) but the wines that turn me on are those that can also offer Pinot Noir's glorious panoply of fruity flavours and silky textures in youth, whether made for the short or long term.

The best of them, the best Premiers Crus and Grands Crus, are so concentrated that the tannins they need for a decade or two in bottle never dominate, a style that can be found most reliably *chez* the likes of Henri Jayer and Dominique Leroy, if you like – although increasingly elsewhere, for less money. Burgundy is in an exciting state of flux with all sorts of ambitious new winemakers (such as Denis Mortet of Gevrey, chez Bibendum and Goedhuis) staking their claim to wine stardom.

But Burgundy, much more suitably than Bordeaux for example, should also be offering us a rich patchwork of wines designed to be drunk young. Imagine the come-hither structure of California and Oregon's best Pinot Noir plus Burgundy's geographical definition.

Yet what do we get? A handful of great wines and lots of lesser clones, all made the same way. No Bourgogne Rouge, and only the exceptional village is getting to make it into its third decade, so it is surely a mistake to use the same winemaking recipe for it as for a great *Grand Cru* that is built to last.

Yet still a producer such as Robert Chevillon in Nuits (whose Premiers Crus are delicious in 1983) left his humble Bourgogne Rouge fruit on the skins for nearly three weeks in 1983, with eye-watering results.

Many people, particularly merchants with significant allocations to sell, are currently enthusing about 1983, calling it, with 1980, the best red burgundy vintage since 1978.

Last week several British merchants laid out their wares

## Wine futures / Jancis Robinson

# Burgundy – risky, but what a thrill



"If Burgundy is the spirit of France then wine must be her blood" – Ralph Gibson 1984. Gibson has successfully evoked that essence of place with some wonderfully simple, thoughtful and original photographs – with reminiscences by Colette – in a new book, *The Spirit of Burgundy* (Aperture Foundation, \$50, 111 pages, 20 East 23rd Street, New York, NY 10010. Tel: 212-505-5555).

in the form of 1993 cask samples in an attempt to prise some cellar-dedicated cash out of their customers – sorry, in order to give them the opportunity to invest in this potentially great vintage.

Others, such as Laytons, will be making an offer later, and still have good quantities of the more accessible 1992s to sell. Prices of the 1993s are about the same as the 1992s except for a few much sought-after names, which makes them non-stratospheric.

So what of the 1993s? Those wine collectors anxious to salt away some top burgundy to drink in the second decade of the next century, and who do not already have enough 1980, should probably buy a few cases of *grand cru* and blue-chip *premier cru* representatives of this relatively tough vintage. (And that goes for whites too.)

But this is not a year that offers much in the way of that delicious, easy, early drinking that Pinot Noir can offer (the 1982s, 1988s and some of the widely underrated 1991s will do that – as will a raft of examples from Oregon and, particularly, California).

The wines noted below are those in which the tannins which obtrude in many of the 1983s seem to me to be counter-

balanced by richness and flavour (although by no means all of the smartest wines on offer were available for tasting).

But do not take my word for it, not least because of the inconsistency and inconsistency of cask samples – as evidenced by sharp differences between samples of the same wines drawn in mid December and last weekend shown, respectively, by Justerini and Bibendum. Burgundy is not just the most difficult wine to understand, it is also the most difficult region. Think of a generalisation and Burgundy will serve back 100 exceptions.

If you are determined to pursue the wine world's greatest but riskiest thrill potential, it is worth following several different informed opinions. Master of Wine Clive Coates spends more time there than anywhere other than Ealing, west London. His monthly newsletter *The Vine* (£42 a year, £129 airmail from 79 Woodstock Road, London W4) reflects this. His American counterpart is probably not Robert Parker but Stephen Tanzer, whose bi-monthly *International Wine Cellar* (£48 a year, \$60 airmail from PO Box 20021, Cherokee Station, New York, NY 10021) is even more informative about what is really happening in the

region. And there is Hanson's new book to wade through too, all 700 pages of it, the fruits of 30 years dedicated to the world's most tantalising wine region.

**SOME JUICIER MORSELS** (All prices per dozen bottles of 1993 red burgundy in bond: currently £12.70 duty per case plus VAT of 17.5 per cent would be levied in the UK. Please see end of text for key to initials).

**Bourgogne Rouge Vieilles Vignes, Merlot 1982 M&V.** The only straight Bourgogne 1983 I have so far tasted with extract and richness to fill the tannic framework, from the talented Merlot of Mâcon La Roche Vineuse. This should probably be drunk over the next three or four years.

**St Aubin, Prudhon 1980 BIB, 263 J&B.** Youthful sweet essence of Pinot Noir plus the strictness of the vintage. This is a wine to appeal to debutantes as well as devotees.

**Chorey-lès-Beaune, Tolleat 1982 BIB, 278 J&B.** The 1983s from this reliably chunky source were looking very good, even at this low level which could give a great deal of pleasure almost straight away. Very pure flavour.

**Rully PC Préaux, Sureau 1985 BIB, 1102 J&B.** A very forward, bumptious little num-

ber indeed but with great density. This *appellation* is no longer a bargain, however.

**Savigny PC Lavières 1988 J&B and Savigny PC Champ Chevrey 1915 BIB, Tolleat 1982 BIB, 278 J&B.** The Champ Chevrey being prettier and more delicate.

**Auxey-Duresses PC Clos du Val, Prunier 1920 J&B.** Rich, lively, concentrated stuff that will please more than many a grander appellation.

**Nuits-St-Georges 1923; Nuits PC Chaignots 1974; PC Les St Georges 1985 J&B, Chevillon.**

ber indeed but with great density. This *appellation* is no longer a bargain, however.

**Savigny PC Lavières 1988 J&B and Savigny PC Champ Chevrey 1915 BIB, Tolleat 1982 BIB, 278 J&B.** The Champ Chevrey being prettier and more delicate.

**Auxey-Duresses PC Clos du Val, Prunier 1920 J&B.** Rich, lively, concentrated stuff that will please more than many a grander appellation.

**Nuits-St-Georges 1923; Nuits PC Chaignots 1974; PC Les St Georges 1985 J&B, Chevillon.**

### THE DORCHESTER

INVITES YOU TO SAMPLE TOP COOKING FROM BALI IN LONDON

From 10th until 28th January 1995, top chefs from the Nua Dua Beach Hotel in Bali will be presenting a selection of Balinese and Indonesian specialties in the Michelin-starred Oriental Restaurant at The Dorchester.

In addition to an extensive à la carte menu, there is a set "tasting" menu at £24.50 for lunch and at £29 for dinner (including service and tax).

The Oriental Restaurant is open for lunch and dinner from Monday to Friday and dinner on Saturdays. It is advisable to book a table. Please call on 0171 629 8888.

ABBEY WELLS  
RESTAURANT & BAR  
Gordon Ramsay

THE DORCHESTER PARK LANE LONDON W1A 2HJ  
TELEPHONE 0171 629 8888

**CLARETS AND VINTAGE PORTS WANTED**  
We will pay auction hammer prices.  
Payment immediate.  
Please telephone  
Patrick Wilkinson 071-247 1945  
or Fax: 071 244 2285  
**WILKINSON VINTERS LIMITED**  
Fine Wine Merchants  
Constance Rd London NW6 2LN

Philippa Davenport, the *Weekend FT*'s cookery writer, has won the 1994 Michael Smith award presented annually to the writer who has contributed most to the promotion of British food. Jointly sponsored by the Guild of Food Writers and The Macallan Single Highland Malt

Whisky, the award – a £1,000 cheque, decanter and bottle of The Macallan – is in memory of food historian, writer and broadcaster Michael Smith. The presentation was made at an awards ceremony at the English House restaurant, in Milner Street, London SW3. Sarah Jane Evans, guild

### Appetisers

chairman, said that Philippa "epitomises all that is best about food writing in Britain today."

Good news for those who live in or near Winchester. An early 18th century house in the city centre has been trans-

formed into a "wine hotel", the Hotel du Vin. Each of its 13 bedrooms are named after, and partly decorated by, a major wine house. Downstairs there is a fairly-priced bistro with an excellent wine list. The hotel is the brainchild of Robin Hutson, former managing director of the luxury Chewton Glen

Hotel on the other side of Hampshire, and Gerard Basset, the prize-winning sommelier. Hotel du Vin and Bistrot, 14 Southgate Street, Winchester, Hampshire. Tel: 0962-841414. Fax: 0962-842458. Rooms from £60 (single) and £65 (double). Meals £25 a head with wine and upwards. *GMCD.*



## HOW TO SPEND IT

# Out, out damned spots

Andrew Anderson considers how today's older man can keep up appearances

Face it, chaps. We cannot win them all. Lloyd's losses? Stiffen the upper lip, and to hell with that final demand. Wiped out by derivatives? Drown yourself in Bollinger. Caught short when you should have been long? Seek refuge in your years of experience, and console yourself with dreams of triumph yet to come.

But there is one battle no amount of experience can win - that against advancing years. One day, as you adjust your old school tie, you have to admit you are getting on a bit. Help is at hand. The Four Furies of the forty-somethings - wrinkles, grey hair, baldness, the "claret complexion" or worse, the damned spots - can be beaten. All it takes is time, money, and perseverance. As always. So here, for those troubled by such trifles, is a guide to holding back the years...



## WRINKLES

When your crow's feet start forming flocks, you can either accept them, smooth them out with lotions and potions, or banish them with the aid of the surgeon's knife.

Happy the man who settles for the first course; the contentment of acceptance in his wrinkly yet well-ordered world shall be his reward. Unhappy, and a lot poorer, shall be the man who takes the third course. Know him by his unnaturally taut expression. Cosmetic surgery is not cheap: reckon on at least a dozen cases of champagne per eye - which would drown a lot of sorrows.

The middle course, as ever, is a compromise. Not even the most gushing cosmetic company promises to banish wrinkles for ever. But most moisturisers, even the cheaper ones, can help.

The term "moisturiser" carries wimpy connotations, which is why most manly moisturisers are disguised as rehydration lotions, advanced performance emulsions, or aloe gel turbo-performance anti-dehydrants. All have one basic function: to put back into your skin what life takes out.

Skin has two principal enemies: dryness and sunshine. Both are enforced by general neglect - and shaving. A man's face has up to 15,000 facial hairs, which grow at a rate (per hair) of 5in each year.

Scraping with a cold blade, or even the best electric shaver, does not a happy face make, so the sensible man will always rub something on to repair the damage. But what?

Start simply. Boots the chemist has an excellent range of basic toiletries that is low-cost and effective. Boots' Sensitive Skin Anti Razor Burn Cream is just £2.75 and is one of the few creams not to remove an extra layer of epi-

dermis when you apply it after shaving. The Sensitive Skin After Shave Moisturiser does a similar, slightly runnier, job for £2.99.

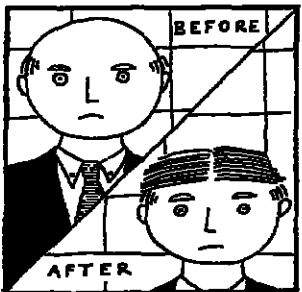
Gillette has introduced a new range of men's toiletries, with After Shave Balm leading the way at around £4.25. Its Sensitive Skin Shaving Gel does a good job of both lathering and soothing for around £3.99. Or you could try virtually any lotion or potion from the excellent Clinique Skin Supplies for Men range.

The higher the price, the higher the hype. Shiseido, the Japanese cosmetics company, has a range of products called Basala, which has a pleasant fragrance and actually does what it claims to: soothes, moisturises, and energises. The Facial Cleansing Foam is £11.50; the Advanced Performance Cream is £20 for 50ml; the very soothing Advanced Performance Emulsion is £18 for 100ml and the After Shave Splash is £23 for 100ml and £17 for 50ml.

For stressed-out, screen-wary City types, Glass has introduced a new treatment for the eyes. Eye Facts will, he says, rejuvenate and revitalise the eye area and soothe tension through massage of the pressure points.

The Eye Facts treatment costs £27 for a 45-minute session; book a course of five and you get one treatment free. The full Face Facts male facial - possibly the best fun a man can have without taking off his clothes - costs £38.50; again, book five and one comes free. Taking both treatments together costs £58.50.

■ **Face Facts for Men.** 73 Wigmore Street, London W1. 071-935 8478. Open Tues-Sat 9.30am to 4.30pm. Later sessions are available on Thursday; ring for details.



## GREY OR THINNING HAIR

If you have hair, prepare to shed them now, for we are to discuss one of the most terrible moments in a man's life: the moment your comb takes out more hairs than it sweeps back.

Quite when this happens can depend on any one or more of 45 factors, from vitamin B12 deficiency to stress to (yes!) traumatic shock. But for most, the cause is genetic. If you come from a long line of hirsutely-challenged parents, the chances are that you will end up the same.

Hair, in fact, is dead all the time, being composed of dead cells containing a protein called keratin. Your hair is produced from a follicle just under the skin. The average male adult has 5m of these, of which about 100,000 are on the scalp. At the bottom of these

follicles are cells which divide, rise to the surface of the scalp, die and become hair.

Head hair grows steadily for up to five years, when it falls out. We lose between 50 and 100 hairs a day, which after three months rest grow anew from the same follicle. Scalp hair grows about 1in every two to three months. For around 60 years we crimp it and cut it; for the next 20 or so we pick it out of the plughole.

Common baldness starts when the hair follicles close down for good, when your genes command your hair follicles to produce an excess of an enzyme which increases the manly hormone, testosterone. Hair loss generally starts with a receding forehead, followed by a bald patch on the crown. Other causes of baldness, particularly premature baldness, include stress and poor diet.

"Sure-fire" baldness cures have been around since the first stone age quiff, but none has proved infallible. Hair transplants are expensive and can have unhappy outcomes. Wigs and toupees, although better made these days, are still prone to damage and tactless remarks from colleagues.

As for cures, ancient Egyptians swore by the Cairo Crop, a potion made of the mingled fat of lion, crocodile, hippo and ibex. Chicken manure or goose dung is well spoken of, if a little anti-social. Rat's urine is said to have the same effect, and drawbacks. Then there is powdered deer antler, or having your pate licked by a friendly cow, or rubbing your head with a baby's wet nappy, or bombarding your skull with electrical impulses, or...

There have been two claimed breakthroughs on the baldness front in recent years, one medical, and one a little more, er, alternative. The first is the prescription drug minoxidil, also used to treat high blood pressure, which is marketed in the US by the Upjohn Foundation under the trade name Rogaine (Regaine in Europe).

Only about one third of users report growing back the thick wavy hair they crave, a third get soft, downy growth and a further third remain stubbornly slap-headed. Still, the success rate - for preventing high blood pressure, too - has produced sales of more than \$100m for its parent company. As the drug has to be taken consistently, for life, and is rel-

atively expensive, it is perhaps for those whose vanity outweighs their bank balance.

The second "breakthrough" is less expensive and can be put to work in the comfort of your own home - provided no one sees you. It involves hanging upside down, bar-like, for 40 seconds, twice a day.

The process was discovered and refined by former City of London financier Andy Bryant. He insists that baldness is caused by reduced blood flow to the hair follicle.

Bryant numbers among his fans the former Labour MP Bryan Gould and former Olympic swimmer David Wilkie.

Greying hair is rather less traumatic. Older miracle cures that turned your pepper-and-salt locks the consistency of bitumen and then dribbled down your chin have long gone. Today's hair colourings are more subtle. But buying them off the shelf is still hit and miss.

Better to have a professional assessment and initial treatment by a good hairdresser, which will cost between £30 and £60. One well-known specialist is Daniel Gavin, 42-44 George Street, London W1 071-586 5611.



My father  
never laid a finger on me.  
Bastard.

This is David's story.

"My brother was always my dad's favourite. But he just ignored me.

I tried really hard to impress him but it never seemed to be enough.

When I got 96% in a maths exam I thought I might get a 'well done'. Instead he asked me what happened to the other 4%. He loves sport, but he never once came to watch me playing in the school team.

I didn't know what I had to do to get him to like me, let alone love me.

The worst thing is, his attitude to me affected the way I was treating my own children. My wife could see it was destroying us as a family and

suggested I got help. I'm now having counselling which is helping me deal with the way I'd been made to feel!

As David's story shows, child abuse isn't just about sexual assault and physical brutality. Emotional cruelty may be less obvious, but the effects can be just as devastating.

Imagine always being criticised, shouted at or even totally ignored.

They can all lead to feelings of low self-worth and depression.

And, as in David's case, the anger created is sometimes transferred to the victim's own children.

Because of all this, the NSPCC is launching 'A Cry for Children'. It's

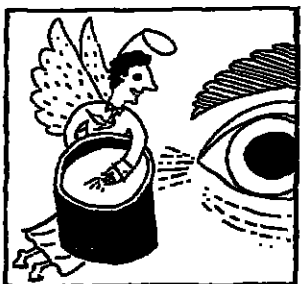
a cry to everyone to stop and think about the way they behave towards children. To recognise the impact that any form of cruelty can have on a child. And to realise the way children are treated affects their whole lives.

Please answer the cry.

If you, or someone you know is suffering abuse, please call the NSPCC Child Protection Helpline on 0800 800 500. Or if, after reading this, you'd find more information helpful, please call us on 071 825 2775.

**NSPCC**  
A cry for children.

## FACE UP TO YOUR PROBLEMS



It is hard to put a brave face on a problem when the problem is your face. Take acne. Usually thought of as a teenage problem, it can flare up in late middle age just as your face is beginning to fit into the higher echelons of the corporate hierarchy.

Middle-aged acne can vary from a minor outbreak of spots after too many late nights, to a sudden and possibly permanently scarring attack that covers the face, neck and back. It can be a temporary embarrassment, or a psychological body-blow affecting professional and personal life: 60 per cent of serious acne sufferers are not married.

Acne is caused by an over-production of oil by glands in your skin. The excess production of oil, called sebum, is triggered by testosterone, the male hormone, which is present in both sexes and which is especially rampant in teenage years.

The sebum builds up in hair follicles and eventually blocks them with plugs of oil known

as comedones, the medical term for both blackheads (closed comedones) and whiteheads (open comedones). The "black" in a blackhead is dead cells containing melanin, the skin tanning agent. Spots are formed when the sebum plug and its related bacteria inflames the skin.

The telltale sign of "adult acne" is its location: the chin, lower cheeks, neck and back. Teenage acne tends to cluster around forehead, nose and middle cheeks. While doctors are cautious about the cause of adult acne, stress plays a part and poor diet can be a factor. So a "lifestyle audit" aimed at reducing stress and moving to a healthier diet can help.

For more serious cases there are many over-the-counter remedies, but persistent acne is more a case for a pharmacist, your GP, or a dermatologist.

Antibiotic tablets, such as oral oxy-tetracycline, are still prescribed for serious cases but can have side effects such as upset stomachs.

Antibiotic lotions such as RetinA or Roaccutane, both on prescription only, are prescribed for really bad cases. Collagen injections can help disguise acne scarring, for around £300 per private treatment.

■ **For more information send an SAE to the Acne Support Group, at PO Box 230, Hayes, Middlesex UB4 9BW. And remember, granny was right: never, ever, squeeze a spot.**



## HOW TO SPEND IT

# The Japanese connection

Lucia van der Post makes an unlikely find in a Yorkshire mill

**U**n in Yorkshire, in Batley to be precise, is an old Victorian mill stuffed from floor to rafters with beautiful hand-made antique Japanese furniture.

It comes as something of a surprise to discover that this is the largest collection of such furniture in Europe - there are smaller collections in Belgium and Germany - and the only such collection in the UK.

It all came about by chance when an Australian importer of Japanese antiques became friendly with the owner of a Yorkshire clothing mill who bought some of the furniture himself.

Falling in love with the fine wood and workmanship, he began to import them into the UK.

Today, just 18 months later, there are between 150 and 200 pieces in this vast warehouse of 10,000 sq ft, with another 40ft container-load of 300 more pieces expected at the end of this month. Most of the furniture is from the Meiji period (1868-1912) though some is from the earlier Edo period (1603-1868).

1868).

All of the pieces are finely-made and hand-crafted, which the original owners would have used for storing possessions and clothing, for keeping records and valuables and for housing everyday domestic items.

Most are made from indigenous Japanese woods such as Zelkova (Japanese Elm), Hinoki Cypress, Cryptomeria and Paulownia.

Almost all embody that Japanese sense of simplicity, symmetry and harmony. Some are more elaborately embellished with brass or metalware than others but there are pieces to suit those of a more minimalist turn of mind as well as those whose tastes veer towards the baroque.

John Riordan, who runs Tansu (which means traditional Japanese cabinetry) as the company is called, will sell the pieces either in their original state, as they arrive, or they can be sold after they have been restored, carefully and according to traditional cabinetry methods.

There is a brochure which readers can send for which illustrates the

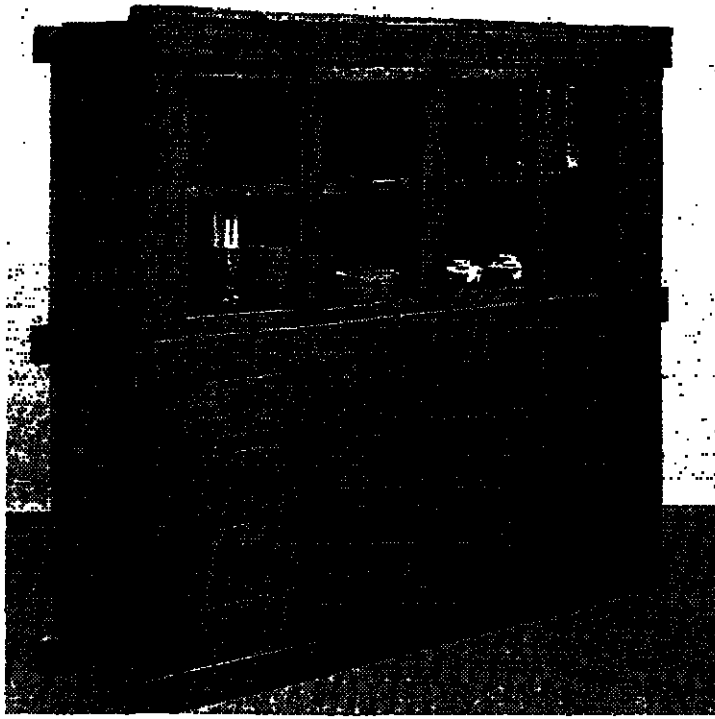
most usual sorts of furniture it sells but as, of course, no single piece is identical to any other, it should be seen as a guide and not a precise catalogue.

The most popular pieces, according to Riordan, are tables - "largely because they fit most easily into the average British home and because it is hard to find good wooden tables that don't cost a fortune elsewhere."

After that in popularity come chests. A merchant's chest (Choba Dansu) being the most sought-after. As the merchant class developed in Japan, so the demand grew for chests for both accounting (they often have sliding doors hiding a secret section for storing private accounts or valuables) and storage purposes.

At Tansu, Riordan sells these chests, restored, for between £1,200 and £1,600.

Shop chests, which were based on the designs and skills perfected during the Edo period when the cabinet-makers were producing smaller personal pieces, were produced to cope with the demand for larger cabinets to display merchandise in



Get it in your chest: functional and good to look at

shops.

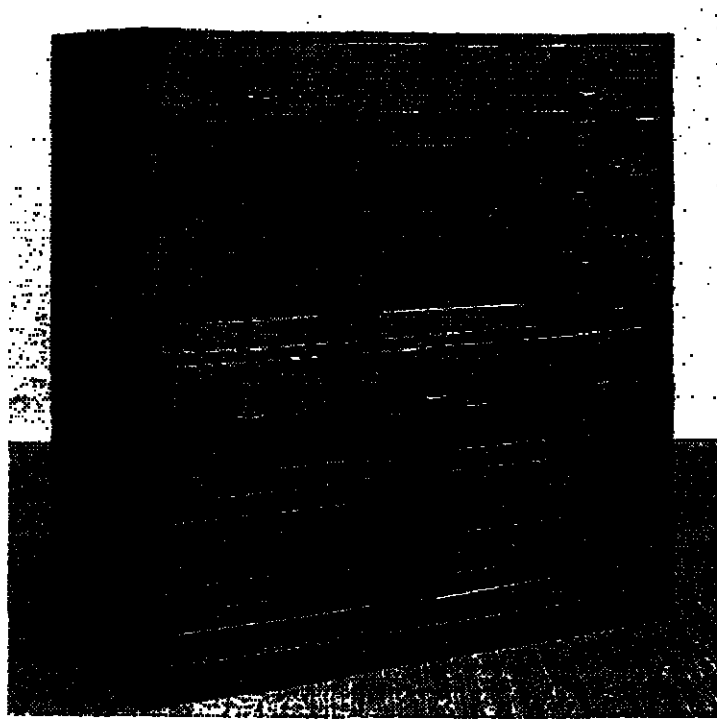
Although they were large by the standards of the day, and usually have a mixture of a multi-drawer bottom section and a glass-door fronted top section, they fit well into most contemporary domestic interiors. At Tansu these tend to cost about £2,000.

Clothing chests (Isho Dansu), originally very grand and designed for the samurai man and his multitude of costumes, also became more common with the rise of the mer-

chant classes and today there is a good supply of these more accessible pieces at Tansu.

In particular at the moment there is one very rare and rich example, probably the most expensive piece in the warehouse, on sale for £3,500.

It has a beautifully ordered arrangement of drawers, extensive and elaborate metal work (inspired, Riordan tells me, by the hardware of the hangar sea chests) and is a very remarkable piece.



Japan's developing merchant class led to a flourishing industry in these chests

Those who are not looking for anything as large as a chest might like to know that there are small storage boxes (often used originally for medicine or make-up) at about £100, as well as pottery, lanterns, calligraphy boxes, screens, Shinto shrines and other small antiques as well as authentic kimonos.

Tansu, Skopos Mills, Bradford Road, Batley, West Yorkshire, WF17 6LZ is open seven days a week, from 9.30am to 5.30pm Mondays to Fridays, from 9 to 5.30 on Saturdays

and from 10am to 4.30pm on Sundays.

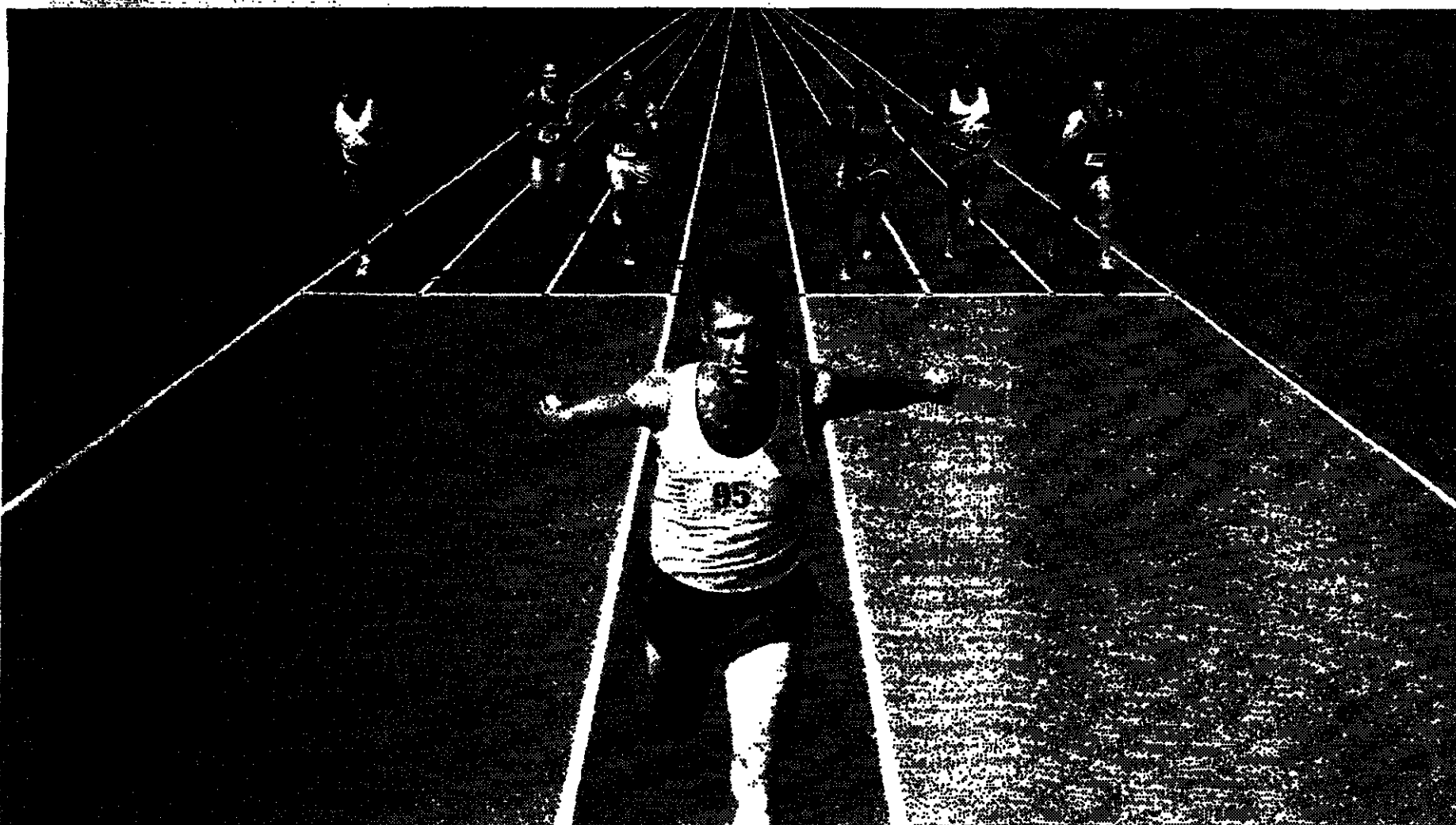
It is a good place to visit. Besides the Tansu warehouse, the Victorian mills are filled with other shops.

Worth visiting is the Skopos Mill Shop, where Yorkshire textiles can be bought. For a copy of the brochure send an SAE, A4 size, to the address above.

A mailing list will keep fans of Tansu informed of the arrival of new goods, which they can then rush off to Yorkshire to inspect.

## Most providers of information solutions think they reach the finish line when they reach the customer.

### But reaching the customer's customer separates the leader from the pack.



Lately, many companies are racing to demonstrate their customer service solutions. But only Unisys understands that the best way to help customers is to help them reach their customers.

Through our unique CUSTOMERIZE process, we offer a pragmatic and disciplined series of steps for helping you turn customer service into a strategic advantage.

Unisys professionals will team with you to evaluate your enterprise from a customer service perspective.

Unisys offers a powerful combination of information services, technology expertise, and industry-specific experience to help enhance your ability to retain customers and win new ones. The benefits speak to your bottom line.

Greater customer-perceived value means greater

margins. A competitive advantage in customer service means improved market share. According to a recent independent study, the profit impact of a simple 2% increase in customer retention can be the equivalent of a 10% reduction in overheads.

Not least, Unisys leadership in systems integration and open systems enables us to optimize the value of your existing technology investment at the same time as our CUSTOMERIZE approach produces tangible results for your organisation.

# UNISYS

We make it happen.

**cus-tom-er-ize**  
Align information strategy with your customer service goals - the Unisys Customerize philosophy.

For more information fax Graham Roberts on (44) 895 863807. And ask how Unisys can help you reach your customers - and serve them better.

CUSTOMERIZE is a Service Mark of the Unisys Corporation.

## Oasis of miracles

Continued from Page 1

two priests to investigate. He hoped they would unearth a scam. Talk of a miracle was embarrassing, especially since it was alleged to have occurred to a non-white woman in a backward rural parish.

The bishop was to be disappointed - the commission agreed the events were miraculous and of divine inspiration.

Dom Joaquim asked the Vatican for a ruling. But word of the miracles had started to spread. By the time Rome declared that these were "sham miracles" and "vain superstitions", more and more pilgrims were arriving in Juazeiro seeking Padre Cicero's blessing.

The church hoped that Juazeiro's fame would end with the padre's death. But in a country where leaders exploited the poor, Padre Cicero had cared for them. The substantial amounts of money donated by pilgrims visiting Juazeiro were invested in schools and orphanages and turned the town into one of the most socially advanced in Brazil's interior.

Maria Freitas is one of the few people still alive who remembers Padre Cicero. Now a frail 80 year old, she was orphaned when 18 months old, soon after arriving in Juazeiro. The padre found a young couple to look after her.

"His house was always full of poor, very thin, people, who he would help and give advice. Things were very difficult at that time," she says. Asked why his fame has continued to grow, her weary eyes looked up, smiling: "Because he was a very great saint. People come because they love Padre Cicero."

They also come because, many followers say, Padre Cicero will return. Jose Augusto looks after the house where the padre spent much of his life and which is now a shrine and hostel for beggars. Like many followers, Jose refers to the padre as "my padrinho", which means godfather, guardian and adviser.

According to Jose, the padre was asked, soon before his death, if he would leave Juazeiro when he died. "My padrinho opened his eyes and replied, 'I am not going to die, I am going on a journey. I will come back in a while.'"

"My padrinho will return," says Jose.

Herein lies the biggest clue to the padre's enduring popularity, his mysticism. Even though Brazil is the world's largest catholic country, it has strong spiritual and superstitious traditions. Padre Cicero is close enough to the catholic mainstream for his followers to pray to him without being accused of heresy, even though the church regards their prayers as superstitious. At the same time, his link with the miraculous appeals to people facing profound difficulties in this life, and who cannot wait for the church's promises about the next.

Mysticism has always thrived alongside and within the Catholic church in Brazil, stemming from the country's other two religious legacies, the Indian and the African. The animism and traditions of the tribes encountered by the first Portuguese settlers seeped

into the Catholic church where they remain, visible in many congregations' appetites for powerful symbols and plenty of singing.

The religious traditions brought to Brazil by African slaves, especially those involving possession by spirits, are still popular in black religious such as Candomblé, and help explain the popularity of Pentecostal movements.

Brazil's north east is a fertile crescent for movements such as the padre's. The region remains the country's poorest. It is prone to crippling droughts and autocratic government by a handful of ruling families.

These conditions bred the *sertanejo*, distrust of outsiders, extreme violence, and emphasis on family honour. One of the area's folk heroes was a blood-thirsty bandit called Lampião whose band roamed the sertão early this century.

Believing in miracles is perhaps the natural defence against such an apparently illogical world in such a hostile setting. The pilgrims who arrive in Juazeiro are the survivors of the daily battles against hunger and disease.

**Believing in miracles is perhaps the natural defence against such an apparently illogical world**

Many are carrying out promises made to Padre Cicero that, should they survive an illness or solve a family problem, they would make a pilgrimage to offer thanks. In the museum to the padre, walls are lined with photographs of such people, sometimes with scarcely legible handwriting on the back thanking the padre for a "favour granted".

Local politicians even leave pictures asking for luck. In the next room are piles of "ex-votos", carvings of limbs which the sick person wants cured. As well as a stack of arms, feet and heads, sometimes with the affliction graphically illustrated, there is a shelf for dolls - representing children - and even for animal figures.

Pilgrims stream past throughout the day, depositing promises and ex-votos in a basket. They bless their water bottles by pressing them against the Padre's old mattress, then pose on the steps outside to have their photos taken.

Then, by Wednesday lunch-times, the market stalls were packing up.

The pilgrims, tired after two days of emotional and spiritual excitement, wandered wearily back to their trucks where they swapped stories and prepared for the journey home, back to reality.

And as the trucks and buses pulled out, the pilgrims sang in low voices:

"My padrinho Padre Cicero, You went to heaven seeing a luckless people."

"My padrinho went to ask Jesus, To protect the pilgrims of the north."



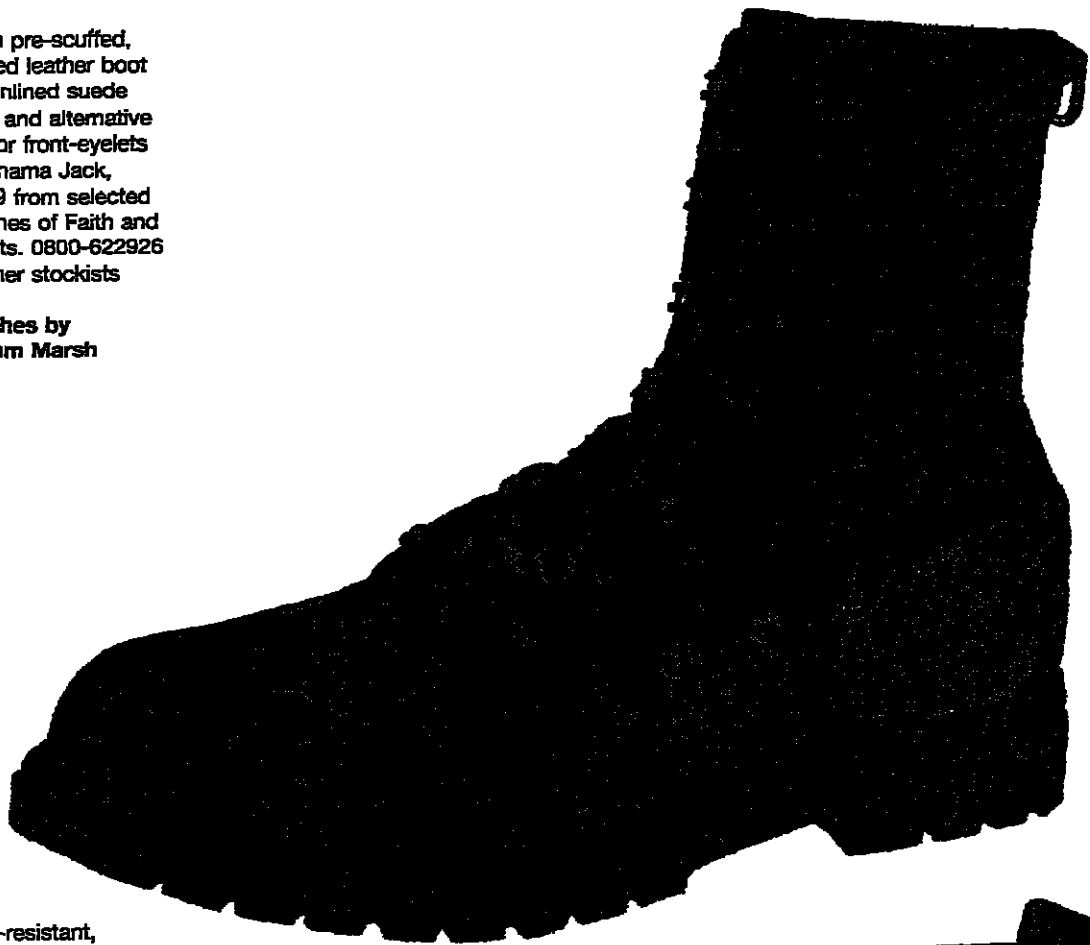
## FASHION

# These boots are made for talking

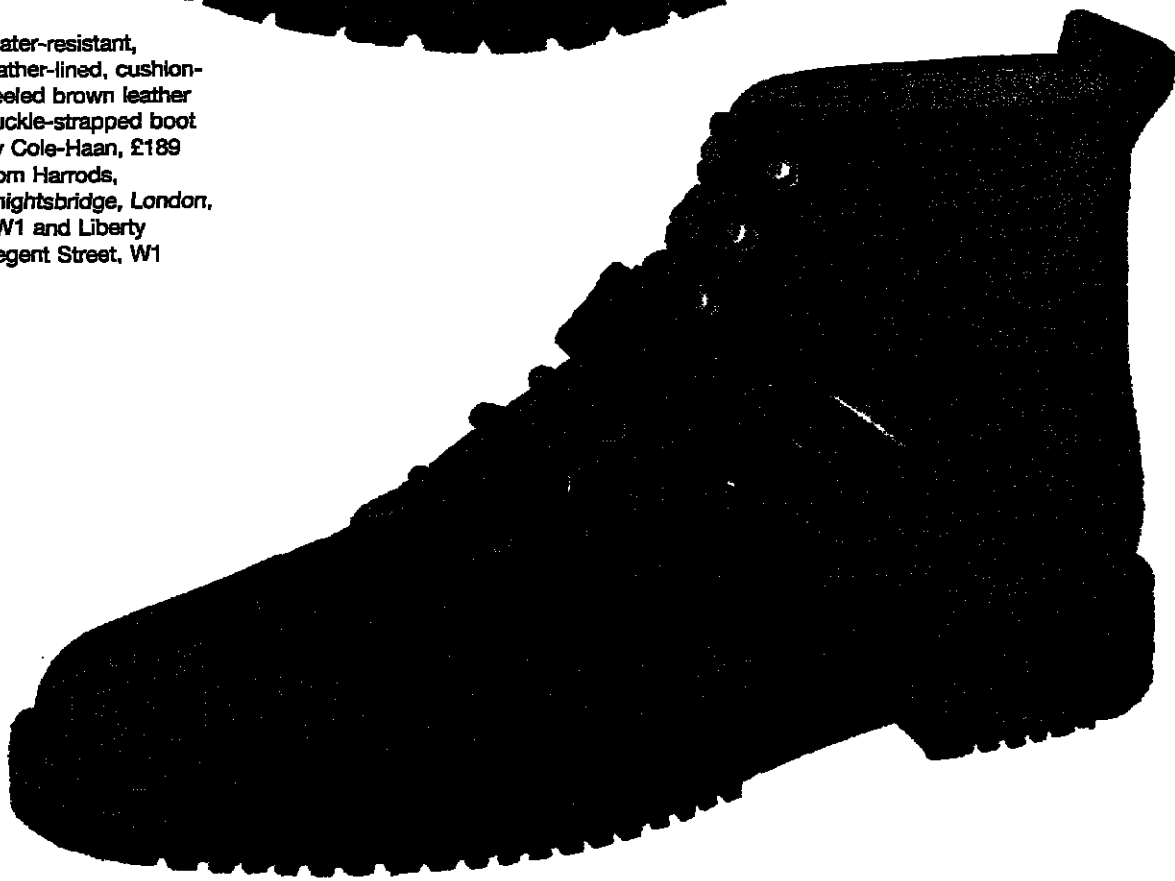
Commando soles are on the march. Avril Groom looks at the vogue footwear that makes a fashion statement

Brown pre-suffed, greased leather boot with unlined suede upper and alternative side- or front-eyelets by Panama Jack, £99.99 from selected branches of Faith and Baratts. 0800-622926 for other stockists

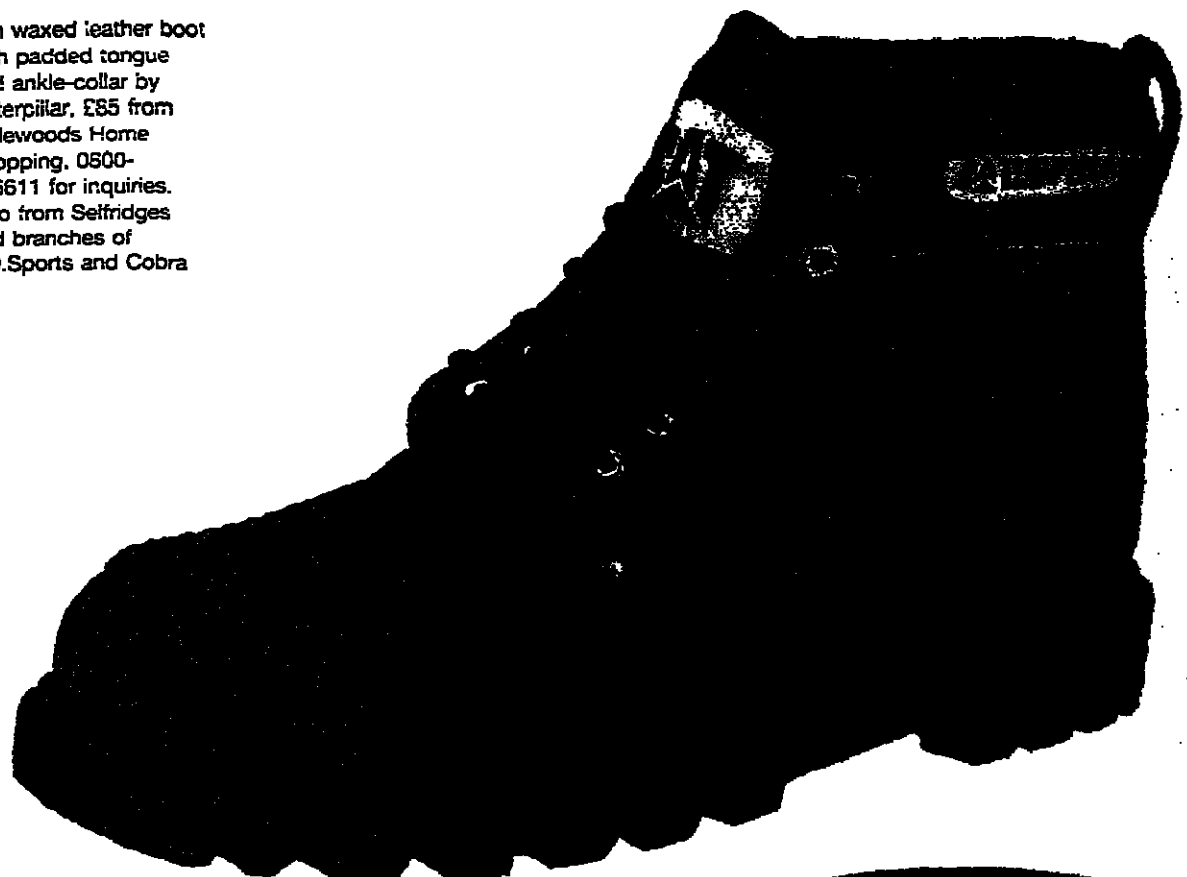
Sketches by Graham Marsh



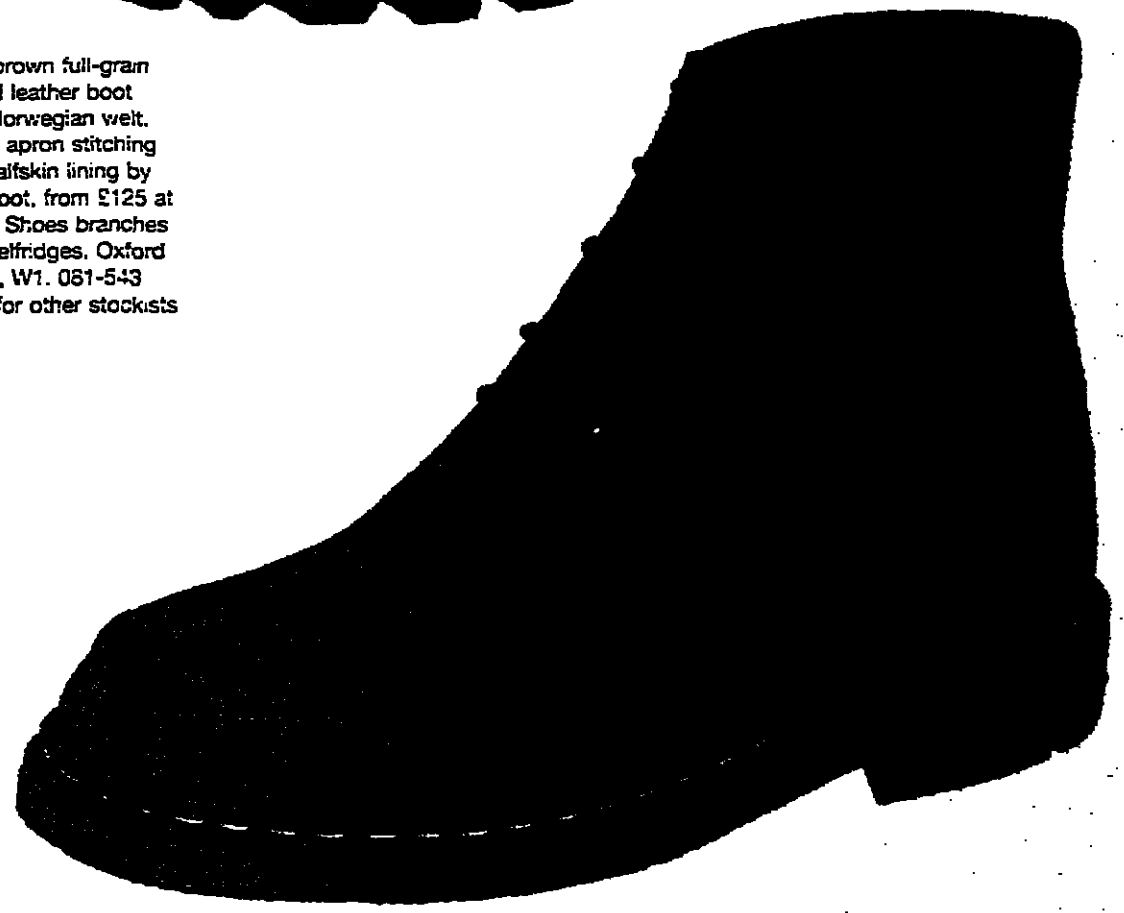
Water-resistant, leather-lined, cushion-heeled brown leather buckle-strapped boot by Cole-Haas, £189 from Harrods, Knightsbridge, London, SW1 and Liberty Regent Street, W1



Tan waxed leather boot with padded tongue and ankle-collar by Caterpillar, £85 from Littlewoods Home Shopping, 0800-816611 for inquiries. Also from Selfridges and branches of J.D.Sports and Cobra



Dark brown full-grain waxed leather boot with Norwegian welt, raised apron stitching and calfskin lining by Parabo, from £125 at Office Shoes branches and Selfridges, Oxford Street, W1. 081-543 2211 for other stockists



High heels may be hot news on the catwalks but feet on the streets tell a different story. Here, the inexorable march of the round-toed, Commando-soled, lace-up boot has earned that much-abused epithet "classic".

The lace-up boot transcends all boundaries of fashion, sex and even age - several makes include infants' sizes. Some people wear boots every day, others only as a weekend respite from those revived stilettoes or from polished city Oxfords, but most modern wardrobes would reveal a pair. Once trainers became undeniably naff, boots replaced them as social levellers.

Boot-spotting used to be very simple. If you were young and wanted to look vaguely subversive you wore Dr Marten's, preferably the black, eight-eyelet ones with overtones of solidarity with the steel-toecap wearing labouring classes; if you were upwardly mobile you chose preppy American Timberlands, their golden-yellow proofed suede redolent of the great outdoors.

Nowadays, boot life is more complicated. The rapidly-growing market has become highly competitive, as brands acquire cult status and new labels start up in response. This suits those customers who do not



Brown oiled leather, hand-stitched, leather-lined boot by Grenson, from £120 at Selfridges, Oxford Street, W1, and Cable and Co. branches.

want social equality but a high-profile label to match their self-image. When it comes to street tribes, by their boots shall we know them.

That these are urban tribes is ironic, since most of the boots were designed for rugged working or outdoor life. However, real country dwellers have their own boot agenda and it does not include cult labels. The toughest work-out the vogue walking boots will get is on a dance floor; the nearest to contact with the

good earth a walk with the dog in a suburban park.

Cult boots sell less by function than by customer profile. Who else wears your brand is far more important than how well it keeps out the rain. Timberland established its sporty, upmarket American image with footwear and clothing for the country and for sailing.

Yet connoisseurs of East Coast American style prefer boots from Cole-Haas, a company with a distinctly WASPish image and a long tradition of hand work. This label is so "in" it is mentioned in novels - as worn by the hero of John Grisham's law-and-shopping blockbuster *The Firm*. Top shoe designer Manolo Blahnik also wears them - a compliment to be taken seriously.

Cole-Haas boots, with separate ranges for men and women, are more elegant than most, with cushioned heels, width fittings and nothing so vulgar as an obvious logo. The expansion of Cole-Haas's market in Europe over the past two years has been as discreet as its clientele: affluent City types with ambitions to own a country estate.

There are still stalwart Englishmen to whom any American import is anathema. They might hanker after boots from Grenson, which has made classic, welted shoes since 1868. Two years ago the company woke up to fashion and introduced a Country Collection of chunkier styles in the obligatory rugged leather with commando sole.

Grenson sells primarily through independent outlets whose typical customers are retired gentlemen and young fogeys. Grenson also makes women's boots to order and will introduce a full women's range in the autumn.

The latest imported boot is French, and has changed its image in the cross-Channel hop. Parabo, a company founded in the Alps early this century and the first in Europe to use rubber soles, supplies footwear to the French army. Its sturdy, no-nonsense styles with rainproof double welts and raised, "pork pie" upper stitching are equally at home on the pavements of Passy or the gravel drives of country châteaux.

But in Britain their snub-nosed minimalism appeals to the sort of young Francophile who wears a Yohji Yamamoto suit, has a Philippe Starck bathroom and imbibes French "culture" through Channel 4's *Eurotrash*, where he identifies more with Jean-Paul Gaultier than Antoine de Caunes. His female equivalent thinks, and looks, exactly the same - Parabo does a scaled-down women's range - and both are smugly in the van of Euro-trendiness.

Image changes have been integral to the multi-million pound success of Dr Marten's. Few of the teenage girls who wear them with everything from jeans to ball gowns, or the schoolboys for whom they are a uniform, know that they started life in Germany as comfort shoes for old women.

The inventor of their cushioned soles found he needed the expertise of British footwear manufacturing, and when Dr Marten's Air Wair industrial boots arrived in the early 1960s, skinheads gave them cult status and a rebellious image. Their universality has dissipated this impression but the company does its best to perpetuate it with metallic DMs, high-heeled DMs, a whole range of "lifestyle" products and ever-smaller sizes for infant cult-chasers.

Now there has been another image change. To attract back older customers who feel they have outgrown the brand, the new Dr Marten's superstore in Covent Garden, stocks the Terrain range of almost-trekking boots with high, padded tongues and tops. The target

customer is the baby-boomer who has grown up with DMs but now has a child in a pushchair and a dog to walk. So where did street cred go?

Possibly to Caterpillar, *le dernier cri* of cult boots. These originated in the US as work boots for operators of the industrial machinery that bears the same name. Cats are the hotshot clubber's boot, sup-

plying cool style and overheated feet to macho under-35s of both sexes. So swift has been their rise that last year they were snapped up for mail order by Littlewoods, which claims to have sold millions through its catalogue.

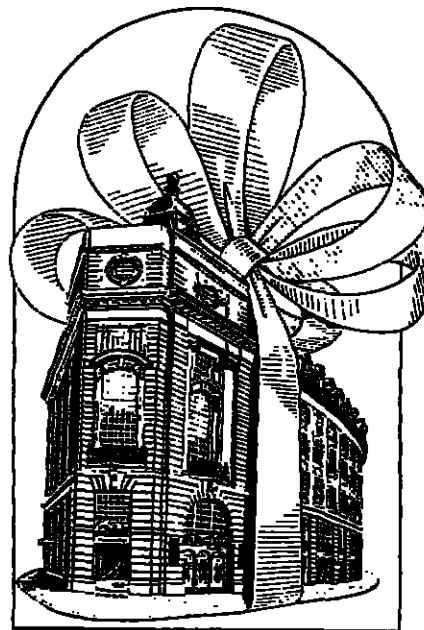
Boot cults can even be invented. Panama Jack (slogan: "Natural life and style") is billed as the eco-aware boot,

made by a company which sponsors explorers, educational adventures and sports events. Its ideas include canvas-sided desert boots and pre-suffed leather.

The name and style have overtones of nostalgic Americana but Panama Jack is a slick marketing exercise, the carefully-researched six-year-old brainchild of a Spanish

footwear manufacturer who wanted a positive brand name and image for his once-anonymous products. After its first year on sale in Britain, Panama Jack is not quite a cult and its more upmarket outlets sit uneasily with its green credentials.

But as an example of niche marketing, it is in a league of its own.



## Aquascutum SALE

FURTHER REDUCTIONS.

Even further reductions on the already impressive savings on men's wear, ladies wear and accessories.

Ladies Classic Trenchcoat	£295	£225	£195
Ladies Wool Jacket	£325	£195	£150
Men's Quilted Leisure Jacket	£175	£145	£95

### WRAP UP A GREAT DEAL.

100 Regent Street, London W1. Tel: 071 734 6090. Also at Manchester, Bristol and Dublin.

## Simpson Winter Sale

DON'T MISS THE FURTHER REDUCTIONS

up to 50% off many items

Simpson

SIMPSON PICCADILLY SALE - 203 PICCADILLY W1  
OPEN MON-FRI 10AM-7PM - SAT 9.30AM-6PM  
DAKS SALE AT DAKS SLOANE STREET SW1  
OPEN MON-SAT 10AM-6PM - WEDNESDAY 10AM-7PM



The most exciting, quality shirt and accessories shop in London.

## SALE NOW ON

Retail Shop:-  
659 Fulham Road, London SW6 5PV  
Tel: 071-371 0528  
(Nearest tube Fulham Broadway)

Opening hours:-  
Mon - Thurs 11am - 7pm  
Fri + Sat 10am - 6pm.

For Mail Order:-  
Tel: 071 610 3004 or Fax: 071 610 2119  
for brochure.



## BOOKS

If you look at a list of A. Alvarez's books—he has written about suicide, divorce, the wild North Sea, rainforests, mountains—you see that throughout his writing there is a recurrent theme. The theme is the existence in our experience of margins, outer limits, half-explained and alarming territory. True to form he returns in this new book to just such territory. This time it is something about which we are all as ignorant—and sometimes as fearful—as we are familiar: night, sleep, darkness and dreams.

Alvarez approaches this cluster of topics in true essayist's fashion, mixing autobiography and journalism, literary criticism and science. The autobiographical sections explore his childhood fear of the dark.

"I remember the fear itself," he writes, "particularly my ear of the darkness that shrouded the upper floor, where I slept—the dark at the top of the stairs. When I stood on the landing outside my

## NIGHT

by A. Alvarez

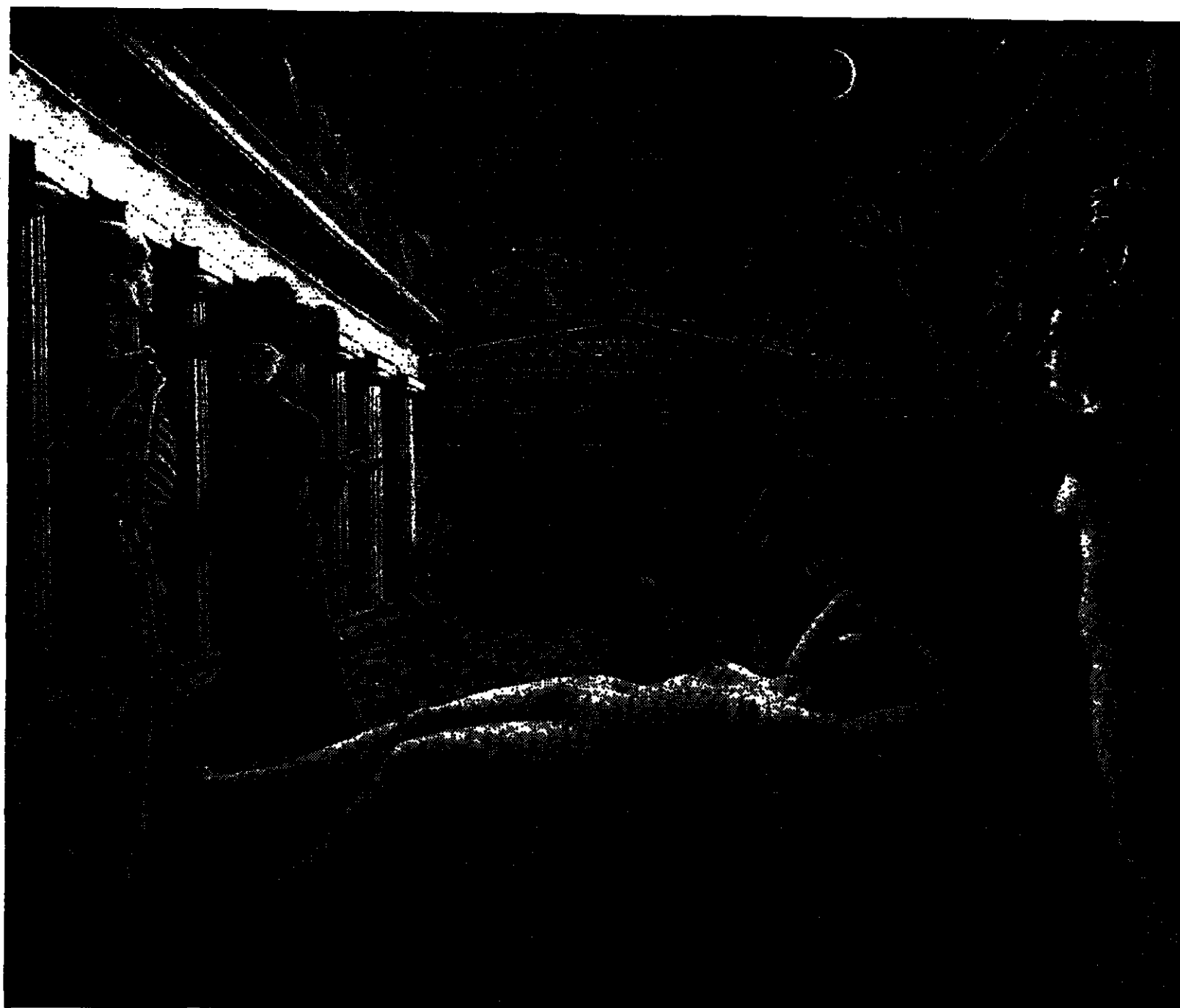
Jonathan Cape £15.99, 288 pages

other's dressing-room the darkness seemed to fill the top floor even in broad daylight and roll down the staircase like fog.

As he lay in bed, his nanny nattering by the gas fire, he heard the distant sounds of carnival discord: night, he surmised, was when adults howled their true natures. And in the shadowy cellars at the bottom of the house lurked the worst of all inhabitants of darkness: spiders.

The journalistic sections take Alvarez into areas at first light remote from each other, not curiously linked by their remoteness from everything else. One is scientific research into sleep and brain activity; he other, police patrols of midnight streets in New York and London.

Sleep research is a minority interest in today's underfunded NHS. One of the few remaining sleep laboratories is at the Dickinson Morley Hospital in Wembley. There sleepers are tied to machines that elicit secrets about the patterns and cycles of different levels of sleep, and investigate such problems as sleepwalking and insomnia. Alvarez experienced sweet rest there, wearing a tightcap of electrodes, only to discover that, according to the machines, he had woken 23 times during the night, and "as properly asleep for only 15 and a half hours in all. And not, apparently, in normal sleep. There are many hypotheses about why we sleep, but no generally accepted scientific view. There is even less agreement about why we dream. Alvarez devotes a long chapter to dreaming, taking us from recondite antiquity—where he said that dreams about sex mean money—to Freud, Jung and more recent psycho-



To sleep, perchance to dream... for an average of six or seven years: 'Venus Asleep' by Paul Delvaux

## The dreamer explores the edge of darkness

A. C. Grayling follows A. Alvarez into the night and the mysterious realm of sleep, dreams and New York City's ninth police precinct

analytic and scientific views. Inquiry into dreaming prompts many more questions than answers. Are dreams forms of mental house-keeping? Or safe forms of periodic insanity? Or communications from the unconscious? Or mere insignificant splutterings of the restless brain? One of the more dramatic mysteries of dreaming is its fertility in providing inspiration: not a few scientific and artistic discoveries have been made in dreams.

Dreams and darkness occupy

a large place in the literary imagination. Alvarez, who is a critic and novelist, is in accustomed territory here, and moves with ease through discussions of Coleridge, Robert Louis Stevenson, and both Gerard de Nerval and the Surrealists who admired him. Alvarez is devastatingly accurate about the latter: "The fallacy of Surrealism," he points out, "is that all dreams are interesting. The truth is, other people's dreams are generally as boring to the listener as

they are fascinating to the dreamer."

Even so, dreams can be a form of poetry, "just as poetry is a kind of involuntary dreaming," and some of the finest of Coleridge's and Stevenson's achievements are to be traced to dreams and their penumbra. One of the best things in the book is Alvarez's account of nights spent cruising the streets of New York and London in police patrol cars. Night alters cities, and it takes practised eyes to descry the new

landmarks thus created. At New York's ninth Precinct Alvarez was asked, "Whaddya want, drugs or whores?" and answered, "How about both?" The ninth covers the Lower East Side, where most of New York's drug dealing goes on. Alvarez witnessed a "bust" of prostitutes, and tried unsuccessfully to engage one of them in conversation in the back of a patrol car. London's King's Cross seemed to him much less exotic by comparison.

Alvarez's prose is skillfully

wrought and carries one lightly through a wealth of variegated detail. His book is not, and was not intended to be, weighty research: it samples, probes, speculates around the edges of this voluminous and mysterious subject, giving us a sense of how far we are from understanding it. In a normal life-span one can expect to sleep for 24 years, and to dream for six or seven of them. Alvarez shows how surprisingly little we know about this massive slice of our lives.

## European mastermind

Seldom can a subject have so clearly needed a serious biography, or so handsomely justified it.

Jean Monnet, the architect and engineer of European unity in the crucial years after the second world war, must surely rank among the dozen most influential politicians of this century. Yet he is an elusive figure. Never seeking titles or official status for himself, he concentrated on identifying key individuals within power structures, and won their support by convincing them that his ideas would help solve their problems.

He never held elective office. He was no orator. Fluent and equally persuasive in both French and English, he was virtually incapable of writing in either. His ideas were developed through the discussion and refinement of innumerable drafts, produced by a series of brilliant collaborators whose talents he stimulated.

François Duchêne was one of those collaborators in the 1950s and early '60s. But he has no Boswellian pretensions. Only once does he refer to himself, and that is to describe the personal appearance of Robert Schuman, the French foreign minister who was Monnet's partner in what is considered his most decisive achievement, the launching of the European Coal and Steel Community in 1950.

Duchêne has examined every written source and interviewed every surviving witness, and in his assessment and explication of Monnet's role he brings to bear his special advantage as an insider. It emerges that even if Monnet had died in 1949 he would still be remembered for some outstanding achievements. In the first world war he played an important role coordinating British and French supplies. In 1920-22 he was deputy secretary-general of the League of Nations, and helped solve the Silesian and Austrian crises. From 1938 he was involved in persuading the US to manufacture warplanes and sell them to France. In 1939-40 he was again at the heart of Anglo-French cooperation, culminating in the desperate and abortive proposal of June 1940 for a complete union of Britain and France.

Then came perhaps his most extraordinary achievement. After France's capitulation Monnet, a Frenchman, was sent to join the British purchasing mission in Washington. He developed unrivalled access to the Roosevelt administration, including the President himself, and seems to have done more than anyone

to speed up US arms production both before and after Pearl Harbor. Maynard Keynes believed that Monnet had shortened the war by a year.

In 1943, in Algiers, Monnet became adviser to General Henri Giraud, the American-sponsored rival to Charles de Gaulle, but skillfully pushed him towards an agreement which allowed de Gaulle to emerge as the uncontested leader. Then Monnet forged the economic plan which set investment priorities and helped revive confidence in postwar France, winning the cooperation of ministries and power centres by not claiming authority over them.

In all these enterprises, Monnet's network of friends in

JEAN MONNET: THE FIRST STATESMAN OF INDEPENDENCE  
by François Duchêne

Norton £22, 478 pages

the US was decisive. Again and again he used American political and economic leverage to overcome European resistance. Not surprisingly he became a *bête noire* for de Gaulle, but even he found him useful. In the early 1960s he was roped in to get the Americans to lean on the Germans in negotiations on the common agricultural policy. It turns out that Monnet, while he was "the father of the Community," was not the father of the common market. He was interested above all in removing the causes of conflict between France and Germany, and believed this could best be done by building up common political institutions, starting with supranational control of key strategic resources—coal and steel, then atomic energy. He did not care much about trade, and was determined not to let Britain reduce the community to a free trade area.

Duchêne's book is very timely. It is now fashionable to say that "the Monnet model of European integration has run its course," implying that it was purely technocratic and took no account of popular feeling. That is wrong. While Monnet was no populist or conventional politician, he was not a conventional technocrat either. He was a maniac for simplicity, and his ideas were generally much more popular with the public than with bureaucrats. He would have abhorred the Maastricht treaty, which shows what happens when politicians allow officials to get bogged down in technocratic horse-trading.

Edward Mortimer

## Fiction/Joan Smith

## Suppressed emotions

Neil Jordan is better known as a film director than an author although his collection of short stories, *Lights in Tunisia*, won the Guardian fiction prize. *Sunrise with Sea Monster*, his first full-length novel, opens in pain at the tail-end of the civil war. In a dusty monastery, captured members of the International Brigade wait to be shot, among them an Irishman, Donal Gore.

Donal owes his incarceration to heroism but to incompetence.

SUNRISE WITH SEA MONSTER

by Neil Jordan

hugo & winston £9.99, 192 pages

te, having been seized by Fascists after crashing the bullance he was driving. As Jordan's films, the atmosphere shifts uneasily between love and horror, simultaneously absurd and tragic; also the films, the story is told a series of eidetic images, flitting with a hoarding of 'Virgin which overlooks the 'd in which the volunteers e death by firing squad. As sun rises she acquires a lo of "ribbened maments". He Franco and Mussolini gently on either side. et the novel's focus is not much international politics personal betrayal. The comise Donal makes to escape th - agreeing to act as a between for a splinter group the IRA in Ireland and the ds - shadows an earlier and re complex treachery at the. His seduction of Rose, piano teacher and his wid-ed father's fiancée, dooms marriage and his father's alth, going to fight Franco

turns out to be a protest against the wedding, and his father's mildly pro-Nazi sympathies, rather than a principled political act.

When Donal returns home, compromised by the deal he has half-heartedly struck with a German officer, it is to find his father crippled by a stroke and Rose in the role of nurse rather than wife. Their affair resumes with apparently careless cruelty, conducted in full view of the old man, although where he and his father used to stretch fishing lines on the wet sand, trying to understand how all three lives have been wrecked by a catastrophic regression of feeling.

Jordan explicitly links this inability to communicate with political instability, with a tendency towards grand political gestures which have darker, unacknowledged motives. Like his film *The Crying Game*, the novel places the Irish conflict in a context in which suppressed emotion and conventional masculinity play an unusually prominent role. Painful and poetic, as vivid as any of the films he has written and directed, *Sunrise with Sea Monster* is a dazzling demonstration of Jordan's ability to express himself in words as well as images.

Romanticism is a cultural phenomenon of the most general kind—literary, artistic, philosophical and political. Those who treat literature as the dead material of post-cultural studies would reverse the order of those adjectives, but Maurice Cranston, a professor of Political Economy at the LSE who died in 1993, saw romanticism as individual liberty expressing itself in a variety of cultural and artistic forms. An admirer of Mill, and of Mill on Coleridge, he finds himself unable to disagree with Hegel's view of romanticism as the final synthesis which still shapes our world.

As an historical sketch of the philosophy of European romanticism, the book is exemplary. Organised in lecture-like chapters entitled *The First Romantics*, German romanticism, English romanticism, and so forth, it gives a sure account of the Franco-German origins of romanticism, finding a dry starting-point in Rousseau's quarrel with Rameau over musical theory. Cranston is masterly on Rousseau, and

deft on the Germans; he sets out a complex story with elegance.

At his best with ideas, he does not forget that ideas are rooted in lives. He is always clear, and sometimes lightly provocative: "William Blake detested Burke, but he often said in verse things that Burke had said in prose in the *Inquiry*, a book that had been published a year before Blake was born." Byron's Don Juan is "an exercise in confession without repentance." English romanticism was atypical in that its achievements were in poetry. It does not show to best advantage in this account by a writer of good prose who was more at home with philosophy, literary theory and the novel.

Cranston's account of the European *romance de l'individu* is one of the best things in the book. He finds the love-triangle of Rousseau's *Nouvelle Héloïse* in Goethe's *Werther* and in Schlegel's *Lucinde*, and even in

## In search of romance

Emily Bronte's *Wuthering Heights*: a rising young man loves a lady who marries a man of her own class. These and other romantic novels chronicle the struggle between love and social convention, in which love purifies sex and hypergamy is sanctified as adultery, though not, thank God, in England. *The individual* can be a Napoleonic young man, or a liberated woman.

Cranston's command of cultural field allows him to write illuminatingly on another aspect of the novel, the influence of Scott on French historiography. He can write equally persuasively on painting and on music.

Cranston's sense of politics informs his account of how the romantic movement arrived with a difference in different countries. In France, the revolution delayed the full arrival of romanticism, much as the reformation had postponed the development of the renaissance

in England (and crippled it in Scotland).

The revolution caused by the French revolutionary terror also meant that English romanticism found no immediate outlet in successful political action; the Napoleonic wars delayed the advent of liberalism until the Reform

THE ROMANTIC MOVEMENT  
by Maurice Cranston  
Blackwell £11.99, 169 pages

Bill. The political divisions of Germany meant that romanticism left a legacy of cultural nationalism, as it did in more liberal forms in Italy and in Spain. The last third of the book introduces Italian and Spanish romanticism.

Cranston was latterly at the European University Institute in Florence, and his cultural competence makes these latter chapters, though less securely

founded and written, a brave and worthwhile corrective to northern condescension. The Italian chapter is a great success, especially on Manzoni and Verdi.

Here is a Cranston aperçu: "The Enlightenment, with its cosmopolitan philosophy, favoured wordless orchestral music, because it needs no translation and commands an international audience. Romanticism preferred opera because opera is sung, a song is poetry, poetry is language, and language is what binds people together as a nation." Hence *Nabucco*, of which Cranston rather oddly says that it was given a biblical setting.

Provocative generalisation is one forte of this book. Knowing more of English poetry than I do of the Spanish novel, I can cavil at some of Cranston's English opinions. Thus, the contentions that beauty is truth and that this is all we need to know are advanced not

by John Keats but by a Grecian urn.

But many British academic cavillers know little of continental European literature, art and music. Cranston was a professor of political economy, who wrote excellent biographies of Locke and of Rousseau, as well as more general essays such as this book. But first-rate popularisation is increasingly rare; it is significant that history text books no longer attempt a cultural round-up of the period. Haute vulgarisation is required if democracy is to work. British democracy is increasingly populist, and it is increasingly ill-served by an academic profession in which over-specialisation is rewarded by the university funding bodies.

It is even possible that Cranston's explanatory power found a more valuable public expression in essays such as those which compose this book than it did in the more professional studies which made his academic reputation.

Michael Alexander

## Larger than life – in public

Nigel Douglas is almost uniquely placed to write about the great singers of the past: as a tenor, he has sung all over the world, he has directed opera, presented programmes on opera for BBC Radio, and in addition to all that he is an enthusiast.

*Legendary Voices* appeared two years ago, probably written as a response to the growing market for CD releases of classic recordings (but also providing a valuable service in offering palatable biographies for those eager to learn more about the history of opera). Apart from his considerable erudition, what comes across more than anything else is Douglas's passion for the subject. After reading *Legendary Voices*, I wanted to rush out and buy recordings by the singers whose lives and work Douglas has been examining. I cannot have been alone in this reaction because Nimbus

Records is providing a compilation CD to accompany the publication of this sequel.

Like the first book, *More Legendary Voices* has a skilful mixture of both big names and lesser known divas and divos; and again as in the first volume there is something for both the train-spotter types of Covent Garden and those coming into contact with these singers for the first time; for the expert Douglas offers his wit and authoritative assessments on performances available on CD, for the novice graceful introductions explaining why these singers are so special and important.

Douglas covers 12 singers here: Callas, Chaliapin, Ferrier, Gigli, Jeritza, McCormack, Melchior, Muzio, Ruffo, Schumann, Supervia and Tauber. It takes guts to write

about someone as well covered, indeed overbiographed, as Callas, but Douglas pulls off a string of technical reports (which will upset many devotees) as well as a moving picture of a woman for whom singing was existence, and

MORE LEGENDARY VOICES  
by Nigel Douglas

André Deutsch £20, 327 pages

who disappeared after retirement.

Gigli used to say about himself: "Apart from my voice I am a very ordinary person." Douglas has a knack for finding anecdotes that bring to life those who may have been smaller than life off-stage. In Gigli's case this includes a failure to see the problem with

fascism; he decried Jewish influence in America and he sang for Hitler during his state visit to Rome in 1938.

Not all singers were so naïve; in 1936 Stalin sent a message to Chaliapin who was in exile in Paris, guaranteeing a couple of houses and vast wealth if he returned home. "And what about my soul?" retorted Chaliapin.

The greatest Heldentenor of our century, Lauritz Melchior, Douglas informs us, got his break in London bumming a Danish tune in the men's room at the Savoy hotel, which brought him to the attention of a Danish millionaire.

Douglas learned his trade in Vienna and seems to have a special affinity for the singers of *Mittel Europa*. His appreciation of Richard Tauber is particularly warm, placing him

just behind Caruso. Or take the Great Vienna Spitting Incident of 1925, a dispute between the soprano Maria Jeritza and the mezzo-soprano Maria Olczewska during a performance of *Die Walküre*.

"Jeritza was in the wings and according to Olczewska was making audibly derogatory remarks. Several times Olczewska hissed at her to keep quiet but Jeritza did not oblige, so Olczewska spat at her. It is, of course, typical that when great powers engage in combat it is the little folk in the middle who suffer. Jeritza ducked and the offending saliva struck an innocent mezzo."

In spite of recounting many such foibles, tantrums and skirmishes, Douglas has such obvious admiration for the singers that, even with their

warts, the reader finds them all rather likeable.

Those who wish to immerse themselves in this sea of sound and spectacle are invited to pay daunting sums for the privilege. Douglas is writing about the price of opera tickets but this might well be applied to those who are on stage. This book conjures up the dedication needed to sing opera and the sad truth that many singers from the first half of the century did not experience happiness to match their talents.

Tibor Fischer

## NEW AUTHORS

FORGET YOUR WORK  
ALL SUBJECTS CONSIDERED  
Fiction, non-fiction, Biography,  
Poetry, Poetry, Poetry  
AUTHORS WORLD-WIDE INVITED WRITE  
OR SEND YOUR MANUSCRIPT TO  
MINERVA PRESS  
2 OLD BRIMPTON ROAD, LONDON SW17 3SQ



## ARTS

# Drawn to the flavour of France

William Packer admires the work of British artists Anthony Gross and Gerald Marks



A quiet authority: 'Untitled', 1993, by Gerald Marks

It is always salutary to be reminded of good artists' work that has been overlooked or taken for granted. Anthony Gross died ten years ago at the age of 79, one of the last of a comparatively small group of artists that, coming to maturity between the wars, benefited by close contact with artists abroad, and with those of the School of Paris in particular.

Such contact served as a significant counter to that instinctive insularity which so often has imposed its character upon British art. Gross was a painter too, but above all an etcher, and he it was, if anyone, who kept British print-making in touch with the continental mainstream in a time when it had largely turned in on itself, to good effect as well as ill, with a peculiar Romantic intensity.

He learnt to etch while still a schoolboy and a continued to work seriously at the craft, first at the Slade and the Central and then, in the mid-1920s, in Paris under Walter Corot - and in Madrid. While in England even Graham Sutherland was looking back to Frederick Griggs and Samuel Palmer, in Paris Gross had such friends and contemporaries as Stanley Hayter, Balbus, Picabia and Zadkine. He travelled widely, especially during the war when his duties as a war artist took him from Libya to Burma, to Normandy and the Rhine. But France claimed his heart, and from first to last it is the French flavour in his work that gives it its distinctive character. In quite what that flavour actually consists is hard to say exactly, idiosyncratic as it is. The imagery is gently, unselfconsciously hedonistic, the eye kindly and indulgent - la douceur de vivre, the fields and hills, the café and the village street, the farmyard in the afternoon sun, the pretty girls at the factory gate. Even in wartime, the image is not one of violence or destruction, but of soldiers chatting up their girls for the evening in the local square.

As for the technical quality of the image, the surface is open, the texture dense and various, the line now thick and firm, now light and spidery, the drawing at once positive and sure, now sketchy and allusive. At no moment are we seduced by the image alone into forgetting that these are marks scratched and bitten into the metal with consummate deliberation: nor for one moment do such abstract and

physical qualities interfere with the reference they make to the visible world and the common experience of life.

Gerald Marks is now 73 and he too has spent much of his time in France, to his work. That a painter of his quality should not by now be fully established in his reputation would be a scandal were it not for the fact that his work has hardly been seen these many years. Whether this was his own choice or the neglect of others is a moot question, but apart from occasional participation in mixed exhibitions, from 1962 until 1988 he did not show his work at all. This is only his second solo show since then.

This recent work is of two kinds - simple and boldly stated works in oil, crayon, graphite and acrylic on paper, strong in colour and somewhat graphic in their emphasis; and very large paintings that are rather softer and more allusive in their mood and reference. These paintings, which Marks has done at his house in the Cevennes, are especially impressive. They work at several levels, which need time to penetrate, for all their apparent formal simplicity.

At first sight they read simply as abstract and expressionist statements, broad and open falls and sweeps of thin, delicate colour vigorously applied. But then, in the way of so much abstract painting, they become landscape paintings, though by suggestion and association rather than any direct reference. At last the figurative elements declare themselves - disembodied

breasts and vestigial limbs, the turn and twist of back and bottom, and all ambiguously sexual in connotation. We are into that mysterious metamorphic territory of the imagination that has fascinated so many artists, where the figure supplies the bones of the landscape, and the landscape returns to the figure, with its swelling hills and valleys. And Marks does it all with a calm painterly intelligence and quiet authority. It is a distinguished body of work.

Anthony Gross RA: exhibition of prints 1928-84; at the Redfern Gallery, 20 Cork Street W1, until February 3. Gerald Marks: recent works at the William Jackson Gallery, 4 New Burlington Street W1, until end of January (closed during the London Contemporary Art Fair, January 18-22).

## Mexico comes to Bloomsbury

It is an important event to open a new permanent gallery in a national museum. Unlike temporary exhibitions, these displays must be good enough to stand for 20 years. Museums try to anticipate or transcend changes in interpretation, since changing a museum exhibition is far more hassle than rehanging a picture gallery. *Mexico Before the Spaniards* is the latest, a treasure hiding at the end of the King's library rooms in the British Museum. The first ethnographical gallery in the BM since the decision to repatriate ethnography from the Museum of Mankind, it shows how wise it is to put ethnography back again in the same building as archaeology. From seeing how peoples outside western civilisation have thought and lived in the recent past, we begin to understand better what the ancients did and what their art and artefacts mean.

Architect Teodoro Gonzalez de Leon has painted the walls blood-red and designed a dramatic pre-hispanic shrine for the superb pieces which somehow escaped the Spanish conquerors' iconoclasm. The Mexican sponsors, the National Council for Culture and the Arts, the National Institute of Anthropology and History and private donors, should be delighted.

To your right on entry are Mixtec and Aztec demonic creations in turquoise mosaic, masks of Quetzalcoatl, the Plumed Serpent god, and a double-headed snake (to wear on the chest or in a headdress, to take on the strength of the deity). Ahead is a larger than life coiled rattlesnake in stone. You see how well the sculptor knew these beasts, and how in



Turquoise mosaic ritual mask, Mixtec-Aztec AD 1400-1521

awe of them he was: the snake's forked tongue and the rattles in the tail are precise enough to illustrate a biology book.

The gallery displays the cultures of Mexico from around 2000 BC until 1521 AD, showing large differences between the west and east coasts and the central highlands. How well does the BM do? It is a flamboyant success, with many masterpieces and the display both instructs and excites the imagination. It should also weather well shifts in interpretation that scholarship is bound to bring.

Every piece shows the power of religion. The gods of nature reigned, helped in this world by the kings and priests who built the temples and pyramids for them, and also the ball courts for ritual ball games when the losing team had their heads cut off.

Blood-letting was a constant ritual. A Maya relief from Yaxchilan shows king Bird Jaguar standing over a captive noble, who has shed blood as part of the accession ritual. On other reliefs his wives pull ropes with thorns bound into them through their tongues. And Bird Jaguar, wearing a skull and serpent headdress, is about to pierce his penis with a perforator (of which a fine example in jade is on display),

again to produce blood. It is no wonder that the Spaniards turned to ferocious vandalism. This love of blood must have terrified them.

But it was not all like this. West Mexicans made clay figurines of fat, smiling, hairless dogs to accompany the dead on the eternal walk into the underworld. And the craftsmanship of these cultures is of extraordinary beauty and finesse, as in a Mixtec (1200-1521) text painted on deer-skin recording the history of ancient towns (reminiscent of the Bayeux tapestry); a king is shown gambling for a town on the result of a ball game.

But in the case opposite, the most frightening of the turquoise mosaic masks depicts Tezcatlipoca (Smoking Mirror, one of the four Aztec creator gods). The stone pieces are fixed to a human skull: broad black and blue bands of lignite and turquoise, with white shells for teeth, and polished iron pyrites for the eyes.

If the gallery is an omen for the North American galleries that the BM will open when the British Library vacates the central reading room, we can anticipate many more exciting moments. Meanwhile, if you are going to Mexico on holiday, visit Bloomsbury first.

Gerald Cadogan



**ART95**  
The London Contemporary Art Fair  
18-22 JANUARY 1995

The Business Design Centre  
Upper Street, Islington, London N1 0DD  
For further information please telephone 011 359 3535



SOCIETY OF  
DESIGNER  
CRAFTSMEN

## Superb Strauss



Anyone with a passion for music and hi-fi will feel instantly at home with ATC. In the true tradition of many small British companies, we have a single-minded passion for quality.

Flat out, we hand-produce hardly more than 100 pairs of loudspeakers a week.

The result? Nothing short of perfection.

But don't take our word for it. Listen to Strauss.

Prices from £1,000 to £20,000. (Call 0295 760661 for more.)



ATC Loudspeaker Technology Ltd,  
Gypsy Lane, Aston Down, Stroud,  
Gloucestershire GL8 8HR



Lindsay Kemp in his kabuki extravaganza 'Omegata': his palpitating femininity on stage contrasts strangely with his sturdy male athleticism

## An untameable talent

Michael Church talks to the controversial performer, Lindsay Kemp

dead: "All young, and all so talented. We're touring so much that it's difficult for me to take new rough talent - the sort of person I once was - and train it as I used to." The blind actor Jack Birkett - the Pope in Jarman's *Caravaggio*, and a memorably gross Caliban in his *Tempest* - has taken leave of absence to train his new guide dog, but will soon be back on stage.

If you mention the debonair David Haughton - who combines a separate career as a screen actor with being Kemp's literary spokesman and also, for many years, his "husband" - a cloud crosses the maestro's brow. "He's got married." Lips pursed in comic disapproval. "To a lady. He says he wants children." Kemp's voice starts

to rise operatically. "Well, I tried! God knows I tried!"

One of the odder things about Kemp is the contrast between his palpitating femininity on stage and his sturdy male athleticism. Another, given his propensity for joyful outrage, is his sensitivity to criticism. He ruefully accepts that the critics who panned his monomaniacal kabuki extravaganza *Omegata* may have had a point. On the other hand, he did recently take that show round Japan - coals to Newcastle, like taking *Flowers* to France - with applause every step of the way.

To Kemp's fury, Sadler's Wells is currently billing *Cinderella*, in which the heroine gets raped by her father, as unsuitable for children under

16. "But everyone knows that's the story, even if you don't see it in the Walt Disney version, or the one by the Royal Ballet. I tried to remind the management that a bit of scandal never hurts the box office, and that in any case people know what to expect from me. They know it's going to be Kempian, which always means a bit of incest. I do have this big responsibility, not only to enchant people, but also to surprise them."

Back home in Italy, he has other, more agreeable curses of office. Next month in Rome he is staging his first children's opera, an ecological fable entitled *The Legend of the Lichen Flower*. In June he is to direct Ruggero Raimondi in *The Barber of Seville* at the Maccarta

opera festival. Meanwhile, aided by speechwriter Haughton, he has his political activities to pursue.

His *what?* No, I don't know a lot about politics, but we're both members of the Radical party - or were, until they got involved with Berlusconi. I do a lot of free advertising for them on the television, and I make a lot of speeches against the death penalty, which some people are pushing for down there."

He is becoming, in Italy, a national institution. A far cry from getting up on points in his football boots, and giving nightly enchaînes in the dorm.

*Cinderella*, at the Oxford Playhouse Jan 19-21st. Sadler's Wells from Jan 24 - Feb 4.

**24 APRIL - 6 MAY 1995**  
and the French connection  
A Festival to celebrate the 150th anniversary of Gabriel Fauré (1845-1924)  
**FREE TRADE HALL**  
COLLEGE OF MUSIC, MANCHESTER  
• Yo-Yo Ma • Raphael Oleg • Sarah Walker • The Nash Ensemble • Kathryn Stott • Kana & Marielle Labèque • Sally Burgess • Augustin Dumay • Della Jones • Yoon Pascal Toubert • BBC Philharmonic  
**TICKET ENQUIRIES:**  
0161 834 1712  
Major Sponsor: WATHOUGH (HOLDINGS) PLC

Major selling exhibition of members' work; furniture, ceramics, jewellery, glass, embroidered, woven and printed textiles at the Mall Galleries, The Mall, London SW1, 0171 930 6844, from Wednesday 18th January to Sunday 29th. Open 10am - 5pm daily (closes 3pm Sunday 29th January). Daily demonstrations and workshops.  
For more information tel: 0171 739 3663. Admission FREE.



## ARTS

# And they came from Outer Europe

Hollywood is experiencing the greatest influx of immigrant talent since the heyday of Lang, Lubitsch and Wilder, writes Nigel Andrews

Roland Emmerich, asked to sum up in a phrase what made his film *StarGate* the surprise hit of the Christmas season in America says: "The idea of aliens jump-starting our civilisation". The film - all about a distant planet that looks and behaves like Ancient Egypt - asks: Could its inhabitants once have founded our own Egypt? With the film's heroes we travel through the "stargate", a sort of time-space looking glass, to find out.

"Aliens jump-starting our civilisation..." Surely the reason Tinseltown responded to Emmerich's project, even before audiences did, is that this is what its own culture is now all about? Here is a German writer-director firing up their Yuletide season at the box office. And ever since the late 1980s American cinema has been experiencing its most startling re-emergence by immigrant talent since the heyday of Lang, Lubitsch, Wilder and company.

Most of them were chased across the Atlantic by Hitler. But what sends today's Europeans to California? They include Holland's Paul Verhoeven (*Total Recall*, *Basic Instinct*), Germany's Wolfgang Petersen (*In The Line Of Fire*), Finland's Renny Harlin (*Die Hard 2*, *Cliffhanger*) and Sweden's Lasse Hallström, now graduating from praised artistic whimsies (*What's Eating Gilbert Grape*) to the new Julia Roberts mega-budgeter.

Hollywood's joint leader, though, in the 1994 immigrant success stakes, along with Emmerich, is Jan De Bont. Meeting both men before Christmas, I quizzed them about the "whys" and "hows" of their careers; also about Old World versus New World movie values.

De Bont is a Dutch-born cinematographer who spent years earning anonymity on other people's hit films (*Basic Instinct*, *Lethal Weapon 3*). Then last year he directed *Speed*, a film about a runaway bus that ran away at the box office. Suddenly he was the most sought-after new action director in America.

Recently, he has been playing hard to get with Columbia TriStar: threatening to walk from their effects-intensive monster epic *Godzilla* unless they came up the budget from \$100m to \$130m. This would make it the most expensive film ever made.

How on earth, I asked the grey-haired, soft-spoken director, who looks as if he should be bending over test tubes in one of Hollywood's "herr professor" roles, has he managed it? To start with: Is Hollywood a

xenophobia-free environment? "The studios love anyone who is successful. This is an immigrant country. Foreigners own many of the studios. The only resentment is from some people who were born here and went to film school and think they should be ahead of you in the queue for directing jobs."

But why is Europe so dominant in Hollywood just now?

"Well, I began as a director of photography and the best DPs here are all foreigners." (I mentally rifle through names to check this. Italy's Vittorio Storaro and Carlo Di Palma, Germany's Michael Ballhaus, Sweden's Sven Nykvist... yes, De Bont is right.) "Because we come from a background of doing things with no money we are more resourceful, more committed to finding inventive ways to solve problems. For Americans a new film is often just another project."

When De Bont made his switch to directing, he deployed that European talent for creating something out of nothing. "Twentieth Century Fox thought *Speed* would be a small, tiny B-movie to fit into the late summer schedule. I told them no, it would open big. And when they started seeing the newspapers, they were blown away. They said 'Wait a minute, we didn't expect this at all!'"

De Bont claims he turned *Speed* into a hit by bringing a sense of reality (European) to potential action/absurdism (American).

"In America they think that to make action work you need a lot of chases and stunts. There is no chase in *Speed*. It's about the little things that happen to that bus. The people on it are believable because they're not big stars playing camos. And I chose Keanu Reeves for the hero because he is not an 'action' star. He'd put Bruce Willis on the bus, no one would have believed it for a second."

*Speed* made over \$100m in America alone and the director is already sketching out ideas for *Speed 2*.

Roland Emmerich agrees with De Bont: Europeans can outflank Hollywood's brute action-movie expectations by simply coming from another direction. "I got the idea for *StarGate* from a documentary about the Giza pyramids that I saw at film school in Germany." He compounded this with a bit of Einstein, dragged Jaye Davidson across the Atlantic for some Euro-decadence; then served it all up with fancy - but not fancy priced - special effects (\$4.5m out of a \$55m budget).

Like De Bont, Emmerich thinks that



James Spader and Viveca Lindfors in *StarGate*, directed by Roland Emmerich. The idea of aliens jump-starting civilisation made this film the surprise hit of the American winter

being reared on exigencies back home teaches resourcefulness in Hollywood.

"In Europe or Britain you have to hustle for everything. In energy and inventiveness we are already ahead of the game when we arrive here."

Hollywood welcomes strangers and their energy. But why do the strangers court culture-shock and homesickness - let alone cries of "Betrayal" by compatriots - by coming to Hollywood?

"Because there is a ceiling you hit your head on in Europe," replies Emmerich. "In Germany I could never make a film that cost more than \$3m, because the viewing market is not there. To reach a bigger audience you must come to Los Angeles." He was helped by a lucky break. "A friend who had seen a film of mine in Germany said, 'Why not show it to Mario Kassar, head of Carolco.'"

Carolco, whose offices we are sitting in, is Hollywood's leading mini-giant. Headed by another foreigner, an Italian who grew up in Paris, the company has turned out juggernauts like *Terminator 2* and *Basic Instinct*. Kassar gave Emmerich a sci-fi action project called *Universal Soldier*. Jean Claude Van Damme, Dolph Lundgren, acres of exploding hardware: Emmerich made it a hit.

Which brings us to a more puzzling aspect of this Europe-US entente. Europeans doing high-style artistic films we

can understand. But why is Hollywood so ready to entrust them with roofing-tooting, all-American genre films? And how come (proving Hollywood's foresight) they do them so well?

"Because we grew up with American mainstream movies," says Emmerich. "One reason I thought of the idea for *StarGate* was that I loved those Forties/Fifties costume epics Hollywood made. I thought we could revive that in the genre of sci-fi." De Bont also reveals a longtime passion for American cinema. "I loved the big epics, the big Westerns. I wanted to make movies that entertained and made people laugh and cry."

Instead, in early years, he studied at the Amsterdam film academy and then made a series of coterie movies with fellow countryman Paul Verhoeven. "They were rather arty, they won a lot of awards. But nobody saw them. It was so depressing. Even the best film Paul and I made, *The Fourth Man*, which cost \$400,000 and was nominated for Best Foreign Film Oscar: just a few people at festivals actually saw it."

When "that" telephone call happened - would De Bont be cameraman on a bigish Hollywood film? - "I came over and felt instantly at home."

So at home that, ever since, he has been doing the creative equivalent of re-arrang-

ing the study and changing the paintings. He may once have felt frustrated by European film culture. But he has spent most of his American career re-installing its values in a new setting. Mostly, he wants to bring human values back to large-screen hokum.

"As a cinematographer I started operating my own camera here, which is forbidden for union reasons. But I did it anyway. I felt that I was the audience and I should put the camera where the audience wanted to be."

He also started directing the actors from behind the camera. "If I didn't like what the actor did I'd get him to do it again. The director looked at me as if I was nuts: 'What the hell do you think you're doing?' But the actors liked it. Ultimately it is the camera, not the director, they must open up to. But in America there has been no tradition of trust between actors and cameramen. The stars are isolated behind their bodyguards and assistants; the crew has its job hierarchies. In Europe, which is a small community where you're friends with the actors anyway, it's quite different."

Another reason, he says, that European cameramen - and directors - often have the edge on Americans is the cultural background. "Paintings and sculptures train the eye. In Holland I lived next to the Rijksmuseum. I'd go three times a week:

not as duty but as pleasure. In Los Angeles this is unheard of. And in America as a whole the amount of education money spent on the visual arts is scandalously low."

I ask Emmerich and De Bont - only half-jokingly - if this is all part of a giant conspiracy: if all the expatriate Euro-directors in Hollywood have been quietly plotting their individual careers as part of a collective putsch.

No (from both). De Bont says there is no Euro-mafia because the film-making business is so scattered. His best friend Paul Verhoeven has been in Reno and Las Vegas for three months - in Hollywood that counts as being out of terrestrial contact - making his new blockbuster *Shogun*.

Emmerich talks of a German "set" that meets sometimes. But he rules the lack of a casual pub-hopping culture and social scene like the one back in Europe.

"When you like to go out in the evening to meet friends here, it doesn't exist. Everything is a date, or a meeting, or a 'power lunch'. Everything has a purpose here; everyone's so concerned with their careers and deals. Compared with Europe, Los Angeles is like another planet."

He gives another, wistful glance at that increasingly symbolic-looking poster on his wall for *StarGate*.

Nature can imitate art in rather alarming ways. On Monday evening, with tributes to Peter Cook ringing in my ears, I was channel-hopping when I came across what I thought was the late beloved comedian himself. In not quite his E.L. Wisty accent, in fact slightly funnier for being more natural, the voice was questioning a Lancashire lady journalist (not in this case Dudley

Moore) on her assertion that star-children, the hybrid offspring of humans and aliens, are living among us; and that she knew about such things, having caused a dustbin to lev-

itate when a child in Manchester. What did they want of us, these aliens, quavered the Wisty voice; did they extract what, sperm from our bodies? The journalist assented, airing a theory of inter-galactic genetic experimentation. It was high, stylised, near-surreal comedy harking back to the heyday of Pete and Dud. Except that it was a serious chat show called *The Jamesons*. On BBC2, four nights a week, ex-Fleet Street man Derek and his wife (a pleasant, resigned-sounding woman) talk to guests, look at the papers (in his case with professional dismissiveness) and occasionally run a competition called

"What's that noise?", a relevant question in the circumstances.

I recommend it as a rest from the hard stuff of broadcasting like the new Radio 4 series, *The City*, jam-packed with information. The first programme opened with the 86th Lord Mayor singing the praises of "our great national asset", the Old Lady of Threadneedle Street and the square mile that employs 800,000 people.

What followed was more disturbing: the bitter conclusion that "the City never noticed the industrial revolution" seemed justified. Old-style gentlemanliness has disdainfully steered clear of investing in industry, except when

forced by a wartime government. Even in the 19th century industry was buoyed up by local finance and provincial banks, later subsumed by the unheeding giants.

Harold Macmillan's warnings about the banks being out of touch with modern times and the City's "narrow view of life" went unheeded. The Euro-dollar markets were born, the square mile became an offshore extension of Wall Street, and under Thatcher, for the first time in our history, the manufacturing base was ignored. The motto was a quick turnover - and spit out the pips; the pips being human resources.

The irony is that the City is

hoist with its petard. A 17-year-old Wykehamist noted that America was now the place for making your mark (he meant money). Even the positive sides of the gentlemanly code have disappeared along with "the shame factor". Yes, we have noticed that in politics too. Will Hutton of *The Guardian* makes a gripping case, aided by such Cassandra as Sir John Harvey-Jones. The series continues.

It all dates from William of Orange, of course. I say of course since the BBC is steeping us in the Restoration and the Glorious Revolution as part of its Purcell junket. The music tells its own story: emotional directness, vivid impact. Words

are less fluent, especially in the Radio 4 "classic serial", a dramatisation of Pepys's diaries. A very free dramatisation, it must be added, with such exchanges as "What was it like?" "What was what like?" "Holland." "Holland?" "Where you went to fetch the king." Lords say things like "Good morning... Oh my head!" to express restoration debauchery. If this is the classics then *EastEnders* is Ivy Compton-Burnett.

By its second episode *Pepys* has settled down to unremarkable sitcom, complete with lazy British workmen, clueless bureaucrats and a perky maid giving the master what is vulgarly known as a toe-job ("What magic in your little hands! What wonder in your little fingers"). At least he is cheerier than a Radio 3 incarnation where Alex Jennings

made a very glum-sounding *Pepys* in *The Thing of the World that I Love Most* - music, in case you wondered.

And this is, definitely, the last mention of the holiday season, but panto does linger. *Mother Goose* is still playing at the Davenport. Stockport, if you're interested: the children were. We heard them shriek with joy in *Starring in Stockport*. Radio 4) when John Inman in the title-role made his entry with the time-honoured words "Who's taken my knickers off the line?"

Physical survival figured prominently, from the tiny backstage area to the food. The caterer reminisced about Lionel Blair in pursuit of more cheese and Ian Botham's love for prawns. Inman exchanged memories of the theatre's unique pies with the former owner: "Good gravy. It used to stick your lips together." "Not just your lips," said the ex-proprietor rather worryingly. It was all redolent of an institution that has adapted more successfully than the City without losing any of its Englishness.

Radio/Martin Hoyle

## A surreal break from City strife

Television/Christopher Dunkley

## Odyssey through nature

Among the most attractive aspects of any natural history series from David Attenborough are the things which do not happen. There are no shots of him hurling a four-wheel drive vehicle through pollen rivers and along precipitous tracks. We do not see him drinking sundowners with his wife beside a camp fire. Almost everybody else in his line of business is an equipment freak of one sort or another; whether it is motor yachts or hot air balloons, hi-tech climbing gear or infra red lenses, they are as busy showing off their technical prowess as showing us the wildlife. But because Attenborough is not one of those who operate their own cameras there is no call for a second camera crew to film the film maker making his film.

*The Private Life Of Plants* - hereafter *Plants* - which began on BBC1 on Wednesday (there are Monday night repeats on BBC2) is the latest series in one of the most impressive bodies of work ever produced for television anywhere. It is directly related to, indeed vir-

tually a continuation of, *Life On Earth*, the 1979 series which began this astounding odyssey through the natural world - though even that far back Attenborough had been at the game for 20 years. The frontispiece to Kenneth Bailey's *Television Annual For 1999* shows him in a BBC studio introducing a white parrot to a small boy and his sister: Prince Charles and Princess Anne, aged 10 and eight, visiting his series *Zoo Quest*.

Looking now all of five years older than in that photo, although he will be 70 next year, Attenborough proves yet again in *Plants* that he is the most modest star presenter imaginable. Even when he does get involved in he-man stunts (swinging in a bosun's chair hundreds of feet up in a rain forest, or next week, operating a fire hose from the top of a turntable ladder to illustrate by noisy mechanical contrast how silently trees draw up hundreds of gallons of water an hour) there are no heroics: we do not see the dangers of his getting there, the camera merely picks him up in situ and Attenborough gets on

with the job of delivering the script... in clear, decent English. Very old-fashioned you may say.

Yet these programmes made under executive producer Mike Salisbury at the BBC's famous Natural History Unit in Bristol, are very new-fashioned indeed. They use all the well established tricks of time-lapse photography to show plant development, and then some. The logistics of making the series read like an operation by the SAS: 60 porters carrying half a ton of equipment up Mount Kenya, with batteries and computer controls for the cameras packed in insulated picnic bags, plus hot water bottles to make them work all night, every night, for a week in temperatures which fell to -10C. Amazingly, given the sheer quantity of high quality wildlife filming on television these days, the results are not only beautiful, but often startling. Much of it looks more like a real-life *Day Of The Triffids* than a botany lesson. The raindrops driving out great clouds of spores from the earth star fungus at the beginning of Episode 1 showed the sort of wond-

ers we are in for.

Yet however good, and these programmes will clearly win Attenborough and the Unit another cupboard full of awards, no series is perfect. Two innovations would be welcome. First, the technical trickery is now so variable that quite often we need to be told whether, for example, the action has been speeded up or slowed down. For instance, while the sycamore propellers may have been filmed in real time, what about those exploding seeds? Second, it would be helpful to hear more from Attenborough, who is clearly a thorough-going Darwinian, about the philosophical posers that the theory presents: if that drab stone-coloured plant developed its appearance as protective camouflage, why did this bright red one not get wiped out while it was on the way to developing its "I'm poisonous" appearance?

Chess No 1097: (a) 1 Nc3 Nc6 2 Nc3 Nf6 3 Nd4 Nd5 4 Nxc6 dxc6 5 Nxd5 cxd5. (b) 1 Nc3 d5 2 Nd5 Nf6 3 Nc6 Nd7 4 Nxb6 Nxb6.

**NEW INSTRUCTIONS!**  
Please dial 0891 437 200 from the handset or telephone on your fax machine and follow the voice prompt.

**FT UK ARTS GUIDE FAX**

If you are interested in the arts, we have a new weekly fax service to suit you. Our UK Arts Guide covers those major productions reviewed in the FT - giving a full listing of events and also the option to access the FT review of your choice.

For a full listing of the choices available, dial 0891 437 200 from the handset or telephone on your fax machine, and follow the voice prompt.

Dance/Opera	Film	Books	Exhibitions	Theatre
Shakespeare	Frankenstein	Prince of Wales	Pre-Raphaelites	Hatted Shipyard Theatre (Feb. 2011)

To receive the FT review of your choice, dial 0891 437 followed by the 3 digit code which appears against the particular event shown on the full listing. Please dial from the handset or telephone on your fax machine, and follow the voice prompt.

**FT ARTS GUIDE HAMLET**  
Not only is Stephen Dillane's Hamlet the freshest, most interesting, and most peculiar ingredient.....

Please note: We would like to apologise to those customers who have not been able to access the service from the keypads of their machines. If you have a keypad and no handset, please leave your name and address on our Helpdesk line (0171 873 4378), stating this fact, and we will send you a connecting device to enable you to use your telephone with your fax.

Calls are charged at 30p per minute (cheap rates, 10p per minute at all other times).

**SOUTH BANK**  
Tel: 020 7471 9228 8800 (Mon-Sun 10am-5pm daily) Fax: 020 7471 9228

Date	Event	Time	Price
Jan 18	SWAN LAKE English National Ballet	7.30pm	£20, £15, £10, £5
Jan 19	Raisa Struchkova (choreographer) A powerful tale of magic, seduction, passion & love. Swan, 7.30pm (Wed Matinee at 2.30pm)	7.30pm	£20, £15, £10, £5
Jan 20	QUEEN ELIZABETH HALL	7.30pm	£20, £15, £10, £5
Jan 21	LONDON INTERNATIONAL MUSIC FESTIVAL	7.30pm	£20, £15, £10, £5
Jan 22	19 Jan: THEATRE DE LA COMEDIE (France) 20 Jan: MARCINIECZAKI (Sweden) 21 Jan: THEATRE DE LA COMEDIE (France) 22 Jan: THEATRE DE LA COMEDIE (France)	7.30pm	£20, £15, £10, £5
Jan 23	DAVID GOLDS International Piano Series	7.30pm	£20, £15, £10, £5
Jan 24	Haydn Fantasia in C, Hob.XV:14; Brahms 8 Klavierstücke, Op.78; Faure Theme and Variations, Op.73; Schubert Fantasy in C, D.970 (Wanderer) £10, £5, £3	7.30pm	£20, £15, £10, £5
Jan 25	HANDEL MESSIAH (complete) Basil Lam (ed.)	7.30pm	£20, £15, £10, £5
Jan 26	London City Hall Orchestra & Choir, James Gaddard (cond) Jacquelyn Fugate, Paul Kusak, Anthony Roden, Peter Savidge, Leslie Pearson, John Birch. £10, £5, £3, £1.50	7.30pm	£20, £15, £10, £5
Jan 27	THE LONDON PHILHARMONIC (Edgar Howerth (cond) H. Hardberger, O. Glade, Gabriel Canon, Stravinsky Sym of word instruments, Stravinsky The City of Angels (1st perf): Endless Parade Symphony The Battle. £10, £5, £3, £1.50	7.30pm	£20, £15, £10, £5
Jan 28	CANTABILE Songs of Love and War	7.30pm	£20, £15, £10, £5
Jan 29	MOZART AND HIS CONTEMPORARIES London Mozart Players	7.30pm	£20, £15, £10, £5
Jan 30	Howard Shelley, L. Mozart Neue Lambacher Sinfonie in G, W.A. Mozart; Ales Lambacher Sinfonie, K.221; Sym No.41 (Jupiter); F.J. Mozart Piano Conc. Op.25. £10, £5, £3, £1.50	7.30pm	£20, £15, £10, £5

**QUEEN ELIZABETH HALL WEDNESDAY 18 JANUARY 7.45pm**

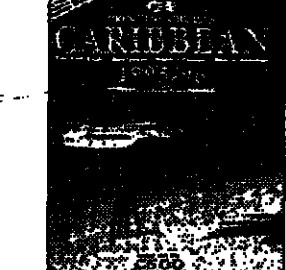
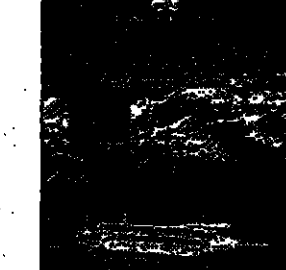
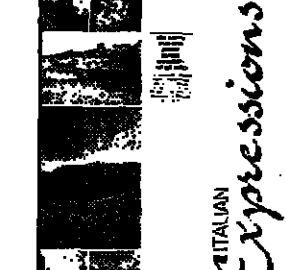



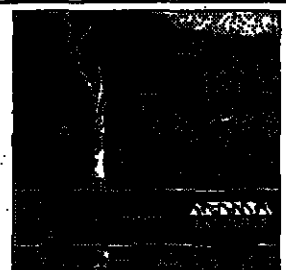
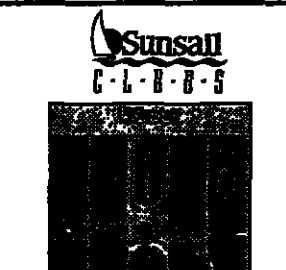


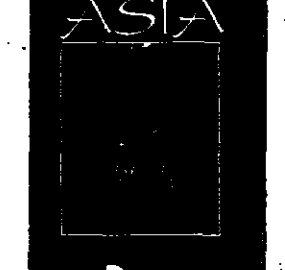


**LONDON MOZART PLAYERS**  
Mozart and his Contemporaries  
L. MOZART Neue Lambacher Sinfonie in G  
W.A. MOZART Alte Lambacher Sinfonie in G K221  
F.J. MOZART Piano Concerto Op 25  
W.A. MOZART Symphony No.41 'Jupiter'  
Howard Shelley conductor/soloist  
55-518 BOX OFFICE/CC 0171-928 8800  
(Haydn Mozart Society (Reg Charity))



## Travel

1995

## Brochure Guide

<p><b>1</b></p>  <p><b>CONCORDE TO BARBADOS</b></p> <p>In just 4 hours you can be in the warm sun of the Caribbean. 7 nights at one of nine luxury hotels with Concorde one-way and British Airways sub-sonic flights from £2075 to £5025.</p> <p>Call 0244 329671 for brochure and special value offers.</p> <p><b>ELEGANT RESORTS</b> ATOL 2885 ABTA 97114</p>	<p><b>2</b></p>  <p><b>LUXURY CARIBBEAN CRUISES FROM £995</b></p> <p>Live the Caribbean dream aboard P&amp;O Princess Cruises' superluxe - including the world's largest and most spectacular cruise ship, the brand new Sun Princess - and save up to £500 per person. Enjoy fine dining and high living on board as you sail to palm-fringed islands, including our private hideaway to the Bahamas. All from £995 for nine nights.</p> <p>For details see your local ABTA travel agent or call Princess on 071 800 2468</p> <p><b>PRINCESS CRUISES</b></p>	<p><b>Travel</b></p> <p><b>1995</b></p> <p><b>Brochure Guide</b></p>	<p><b>3</b></p>  <p><b>ALASKA DISCOVERY CRUISES FROM £1495</b></p> <p>Enjoy the widest, wildlife and unspoiled wilderness of Alaska from the comfort of P&amp;O's state-of-the-art superluxe. 9 night holidays start at £1495 per person. Add a 4 night luxury tour of the magnificent Canadian Rockies from just £245 extra.</p> <p><b>PRINCESS CRUISES</b></p> <p>For details see your ABTA travel agent or telephone Princess Cruises on 071 800 2468</p>	<p><b>4</b></p>  <p><b>HALF PRICE MEDITERRANEAN &amp; SCANDINAVIAN CRUISES FOR YOUR OTHER HALF</b></p> <p>When two people travel together on a luxury Princess Cruise to Europe, the second person pays just 50% of the fare, saving at least £875. Ahead lie 12 nights of high living and fine dining as you sail to Greek islands, renaissance piazzas and Carriac palaces.</p> <p><b>PRINCESS CRUISES</b></p> <p>For details see your ABTA travel agent or telephone Princess Cruises on 071 800 2468</p>	
<p><b>5a</b></p>  <p><b>HOTEL HOLIDAYS OF QUALITY TO FRANCE</b></p> <p>To personally selected hotels of charm and character. From country suburge to romantic water-mill, from Renaissance chateau to grand hotel. In 19 regions from the lavender beds of Provence to the forests of the Dordogne, from calveaux country in Normandy to the Mediterranean. Travel by air, ferry or motorail included. All year round for short breaks, longer stays and tailor-made holidays. (ATOL 3076, AITO Trust 1042)</p> <p><b>French Expressions: 0171-794 1480</b></p>	<p><b>5b</b></p>  <p><b>HOTEL HOLIDAYS OF QUALITY TO ITALY</b></p> <p>To hotels of quality and prestige, charm and character from the Italian Lakes to the Amalfi Coast including Tuscany and Umbria, Venice, Florence and Rome. Stay in one place, take a touring holiday or combine city stays. All hotels personally selected, from 3 star to 5 star de-luxe, many in converted manor houses, palaces, castles and country houses. Travel by air, motorail or ferry included.</p> <p>(ATOL 3076, AITO Trust 1042)</p> <p><b>Italian Expressions: 0171-794 1480</b></p>	<p><b>6</b></p>  <p><b>OVERLAND EXPEDITIONS</b></p> <p>African Safaris from 3 weeks. African Overland up to 31 weeks. India from 3 to 10 weeks. London to Kathmandu up to 15 weeks. Latin America trips of 2-24 weeks.</p> <p>Dragoman, 65 Camp Green, Debenham, Suffolk IP14 6LA.</p> <p>Tel: 071 370 1930</p>	<p><b>7</b></p>  <p><b>Unicom Holidays</b></p> <p>Tailor-made holidays staying at special hotels.</p> <ul style="list-style-type: none"> <li>• Pamadores</li> <li>• Chateaux Hotels</li> <li>• Fontaines</li> <li>• 4 &amp; 5 star Hotels</li> </ul> <p>For brochure and advice</p> <p><b>01582 83 4400</b></p> <p>CAA 3431 AITO ABTA 9978</p>	<p><b>8</b></p>  <p><b>CYCLING &amp; WALKING HOLIDAYS</b></p> <p>Luxury tour through beautiful Bavaria. Hand picked hotels. Bicycles provided. Luggage transported.</p> <p>"It was 12 days of sheer pleasure, the best holiday we've ever had!" Mr. R. Bridgman.</p> <p>Free brochure from: Bente Bicycle Tours (UK) 17, High St, Redbourne, Ely, Cambs, CB11 1LE.</p> <p>TEL: 01 582 793 249</p> <p>ATO AITO 2867</p>	<p><b>9</b></p>  <p><b>THE WORLD'S MOST FAMOUS TRAIN</b></p> <p>The Venice Simplon-Orient-Express... the world's most romantic train. Re-live the golden age of rail travel on your way to Venice... or as part of a memorable holiday.</p> <p>Telephone 0171 928 6000.</p>
<p><b>10</b></p>  <p><b>OKAVANGO TOURS &amp; SAFARIS</b></p> <p>Simply the best for: Botswana, Namibia, South Africa, Zimbabwe, Zambia</p> <p>Tel: 081-343 3283 Fax: 081-343 3267</p> <p>Gadd House, Arcadia Avenue, London N3 2TJ</p> <p><b>ATO</b></p>	<p><b>11</b></p>  <p><b>Beach Clubhotels</b></p> <p>In the Mediterranean with everything included in the price. Accommodation, flights, watersports, children's facilities, three meals a day and wine, tennis and other Club Activities. One week from £399. GREECE - ITALY - SARDINIA - CORSICA - TURKEY</p> <p>Tel: 0171 393 3131</p>	<p><b>12</b></p>  <p><b>BRIDGE TRAVEL SERVICE</b></p> <p>Stay in a Disney Resort Hotel in the heart of the magic. Choose from Walt Disney World Florida, Disneyland California or Disneyland Paris.</p> <p>Call 0235 865656 (24 hrs) or complete the coupon.</p>	<p><b>13</b></p>  <p><b>CARIBBEAN YACHT CHARTER</b></p> <p>For the most comprehensive selection of luxury and super luxury yachts, whether motor or sail, consult the specialists ITC Yachts. We also provide highly competitive flights and a totally flexible Sail &amp; Stay programme.</p> <p>Call 01244-329556 now. Please quote: FTBPI</p>	<p><b>14</b></p>  <p><b>THE REAL FRANCE</b></p> <p>An unspoilt corner, as warm in its welcome as in its climate. As rich in history as in outdoor activities. Where the Midi starts but not the crowds.</p> <p>Phone the Tam Tourist Board on 0171-287 9840 anytime for lots more information</p>	<p><b>15</b></p>  <p><b>AFRICA EXCLUSIVE</b> specialises in arranging superb tailor-made safaris throughout Africa. From the Serengeti plains to the Skeleton Coast from luxurious wildlife lodges to thrilling adventures on the Zambezi. Let us create exactly the right safari for you.</p> <p>Please call 0604 28979 ATOL 2883</p>
<p><b>16</b></p>  <p><b>SWISS TRAVEL SERVICE</b></p> <p>Come with the experts and choose from over thirty Lakeside and Alpine resorts.</p> <p>Call 0235 865656 (24 hrs) or complete the coupon.</p>	<p><b>17</b></p>  <p><b>EUROPEAN VILLAS</b></p> <p>Europe's leading collection of quality villas with private swimming pools and apartments by the sea situated in some of the most beautiful resorts throughout, SPAIN, PORTUGAL, GREECE, TURKEY, FRANCE, MALTA, ITALY &amp; CYPRUS. By Air or villa rental only.</p> <p>Tel: 01223 300234</p> <p>ABTA 99694 ATOL 2270 AITO</p>	<p><b>18</b></p>  <p><b>WALKING HOLIDAYS</b></p> <p>Self guided walks from Inn to Inn: escorted groups along classic mountain trails; holiday hotels in superb walking country. Whether you are a beginner or a seasoned hill walker you will find the perfect holiday.</p> <p>Prices start from only £360.00</p> <p>Call 081 577 7187 for your free brochure</p>	<p><b>19</b></p>  <p><b>PARIS TRAVEL SERVICE</b></p> <p>The widest range of quality breaks and holidays to Paris. Go with the experts any time of the year.</p> <p>Call 0235 865656 (24 hrs) or complete the coupon.</p>	<p><b>20</b></p> <p><b>Experience the Magic of a P&amp;O Cruise</b></p> <p>Cruise aboard P&amp;O's world famous Canberra, the stylish Sea Princess or the magnificent new Oriana from as little as £199 for three nights. Sail to the Mediterranean, the Caribbean, Scandinavia, the Atlantic Isles, or cruise around the world. KCS</p>	<p><b>21</b></p>  <p><b>Save money - book direct!</b></p> <p>1500 private owners advertise: chateaux, villas &amp; farmhouses, many with pools, family hotels, apartments, B&amp;Bs, spec. int. hols. All Regions of France</p> <p><b>Tel: 01 484 682 503</b></p>
<p><b>22</b></p>  <p><b>MOSWIN TOURS</b></p> <p>The true specialists for Germany. Escorted tours, city-breaks, self-drive, inclusive-rail, river cruises, special interest, self-catering, family holidays, business travel, trade fairs, conferences, tailor-made.</p> <p>ABTA 82053, ATOL 2809 &amp; AITO</p> <p>Tel: 0116 271 9922/271 4982 or write to: Moswin House, 21 Church Street, Oakby, Leicester, LE2 5DB</p>	<p><b>23</b></p>  <p><b>SUNSAIL</b></p> <p>SUNSAIL operates eight superb beach clubs in Greece and Turkey. Each club offers a wide selection of watersports activities including Windsurfing, Dinghies, Yachting, Water-skiing, Canoeing, Club Flotilla, Sailing Tutors, Children's Clubs, Snorkelling and Diving.</p> <p>There's also plenty to do for those who wish to relax in our comfortable club atmosphere ashore.</p> <p>Ring for 1995 colour brochure (01705) 210345 (24 hrs)</p> <p>Sunsail Ltd. ABTA 38996 ATOL 987 IATA ABSC</p>	<p><b>24</b></p>  <p><b>SWAN HELLENIC EUROPEAN RIVER CRUISES</b></p> <p>Cruise with a specialist lecturer along the Rhine and Mosel, the Main or the Danube to see superb scenery and Europe's lovely old towns. Fares include all guided excursions and tips.</p> <p>Tel: 0171-800 2300</p>	<p><b>25</b></p>  <p><b>Just France 1995</b></p> <p>Choose from over 300 fascinating properties of all shapes and sizes. From traditional farmhouses, rustic cottages, and pretty village houses to elegant chateaux and luxury villas. The choice is as varied as the country itself.</p> <ul style="list-style-type: none"> <li>• Over half our properties have access to a swimming pool.</li> <li>• We have more houses than ever within walking distance of the beach.</li> <li>• Plus our new series of the finest selection of properties.</li> </ul> <p>Call now for your copy of our superb easy to understand brochure.</p> <p>081 780 0303</p> <p>ABTA 4096 AITO ATOL 1361</p>	<p><b>26</b></p>  <p><b>SUNSAIL</b></p> <p>Sunsail worldwide leaders in selling holidays offer Flotilla, Bareboat and Skippered sailing in the Mediterranean, Caribbean, Bahamas, Thailand, Australia, New Zealand, the Canaries, France and the U.K. in a fleet of over 650 yachts. Sunsail's Charter fleet is one of the most modern available in the World.</p> <p>Ring for 1995 colour brochure (01705) 210345 (24 hrs)</p> <p>Salsail Ltd. ABTA 36996 ATOL 987 IATA ABSC</p>	<p><b>27</b></p>  <p><b>Costa Cruises</b></p> <p>An unrivalled choice. Costa's 1995 World of Cruising brochure features cruises in the Mediterranean, Northern Europe and the Caribbean. Fly-cruises, ex-UK and Special Escorted Departures. Prices from only £210. Plus up to 10% Early Booking Discount.</p> <p><b>Tel: 0476 592280</b> (24 hr answerphone) ATOL 2575</p>
<p><b>28</b></p>  <p><b>AN INVITATION TO FRANCE</b></p> <p><b>HAMPTON HOUSE TRAVEL CHATEAUX AND COUNTRY HOUSE HOTELS</b></p> <p>Specialists in France. Tailor made travel for individuals or families. Superb hotels of character and quality in unspoilt locations throughout France.</p> <p>TRAVEL BY CAR, FERRY, SCHEDULED FLIGHTS, OR TRAIN.</p> <p>081 871 3300 ABTA 85349 AITO 2763</p>	<p><b>29</b></p>  <p><b>ISLES OF SCILLY</b></p> <p>Crystal clear waters, white sandy beaches, spectacular scenery... Paradise Found!</p> <p>FREE colour brochure:</p> <p>Dept FT, Portcressa, St Mary's, Isles of Scilly</p> <p>Tel: 01720 422536 (24 hrs)</p>	<p><b>30</b></p>  <p><b>CLUB MED SUMMER 95</b></p> <p>Choose from 80 destinations worldwide for the ultimate all-inclusive holiday this summer. One price includes, return flights and transfers, full board including wine with meals, sports, tuition, children's clubs, evening entertainment and insurance.</p> <p><b>CLUB MED. BECAUSE LIFE'S TOO SHORT</b></p> <p>For a brochure call: (01635) 565065.</p>	<p><b>31</b></p>  <p><b>Asia</b></p> <p>Asiaworld Travel, the specialist Far East Tour Operator who previously traded as Asia Voyages, have just released their 1995 brochure. The 116 page brochure is packed with hundreds of great holiday ideas and new destinations this year include Papua New Guinea and the Pacific Islands of Micronesia.</p> <p>For a copy of the brochure please call 0932 820050</p> <p>ABTA 3391</p> <p>ATO 2861</p>	<p><b>32</b></p>  <p><b>Superb guided and independent China holidays from the UK and Hong Kong. Also fantastic Hong Kong packages. For your tour to China speak to CTS, No. 1 China specialist.</b></p> <p><b>China Travel Service (UK) Ltd</b></p> <p>Reservations: Telephone: 0121 836 9551. Fax: 0121 836 9521.</p>	<p><b>33</b></p>  <p><b>Alternative Travel Group Ltd</b></p> <p>Highest quality and best value walking and cycling trips in Europe for escorted groups and independent travellers. Comfortable accommodation, good food, and wine, luggage transported en route. Italy, France, Spain, Portugal, Bohemia etc</p> <p>89-71 Banbury Road, Oxford OX2 6PE</p> <p><b>Brochure Line 0865 310244</b></p>





## Kieran Cooke finds Kuta beach is no longer the place to be but the island preserves its charms elsewhere

It was all a little too good to be true. Larry once told me that he came from a wealthy family that paid him generous sums to stay away from home. He has probably spent the past 25 years commuting between Mykonos and Bali, stopping for the odd tuck and fold along the way. Not a bad life at all.

■ Chris Eales travelled to Sweden as a guest of the Swedish Travel and Tourism Council, Scandinavian Airlines and the Gota Canal Steamship Company. A four-day cruise from Gothenburg to Stockholm or vice versa, including full board and excursions, costs from Skr3,400 (about £475) for a berth in a double cabin to Skr7,300 for a single cabin. Tel: 010 46 31 80 63 15. Further details: Swedish Travel and Tourism Council, 73 Welbeck Street, London. WIM GAN. Tel: 071-487 3135/6.

Japan & The Far East 1995  
Call now for your copy  
**01703 730830**  
ABTA 76546 • AITO • ATOL 1866 • IATA

# TRAVEL BROCHURE GUIDE

TITLE \_\_\_\_\_ INITIAL \_\_\_\_\_ SURNAME \_\_\_\_\_

ADDRESS \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

POSTCODE \_\_\_\_\_ DAYTIME TELEPHONE \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

You may request up to eight brochures maximum by entering in each box, the relevant brochure number.

The advertisers featured on this page will be happy to send you their brochures & literature free of charge, just post the coupon, to arrive no later than 14th February 1995 to the address shown below.

Workalot FT Brochure Services Ltd 0295  
Clapham House, 2 & 3 Brixton Square  
London SE1 4UD Fax No: (071) 357 0165

If you require more than eight brochures please contact the advertisers direct.

The information you provide will be held by the Financial Times and may be used to keep you up to date with most of FT products and by other selected advertisers for making best offers. The FT is registered under the Data Protection Act 1984. Financial Times, Number One Southampton Row, London WC1R 4EJ. Please tick this box if you wish to receive any further information from us.



## TRAVEL

# From middle age to stone age overnight

Winston Fletcher and his wife walked 20 miles – a feat for 'feeble fiftysomethings'



Fulfilling a dream in a yellow pixie hat: Winston Fletcher on the Ridgeway

John Fletcher

For more than two decades my most strenuous daily exercise has been climbing in and out of taxis. My last 20 annual medicals have all threatened me with incipient death if I do not relinquish several stone pronto. I am well into my fifties.

So it seemed reckless for my wife and I to attempt, from a sitting start, to walk 20 miles in a week-end.

We chose December for our venture, because we feared that, like veteran car engines, we would overheat in summer. And we picked the countryside around Avebury in Wiltshire after visiting over before-hand to check that it was not too mountainous, that there was an adequate bed and breakfast en route and, most importantly, it was close to the Ridgeway, on which we had long dreamt of walking.

The Ridgeway is an 85-mile stone age thoroughfare which runs from near Avebury to Tring in Hertfordshire. Like the M1, it suffers from a dearth of service stations, and like half the roads in Britain it is in need of re-surfacing. Back in 6000BC it was doubtless in fine fettle but since then it has fallen into desuetude.

The Green Michelin advises walkers to "beware of the ruts in the path and remember that it can be muddy and slippery after heavy rain". During heavy rain, too.

We were sure that we would be seized with cramp, or blisters, or breathlessness or heart attacks, whichever came the soonest. Fortunately, today's intrepid businessman has a nifty implement called his Neolithic predecessor: the mobile phone. With it, we felt secure.

We were convinced it would be a one-off experiment. Having been struck down by cramp and so on, we would not bother to try, try and try again. When you're fiftysomething, if at first you don't succeed – give up.

So we refused to invest in hand-made, leather walking boots, expensive shooting sticks, great thick socks, woolly hats or any of the other paraphernalia without which experienced hikers seem unable to take even a short constitutional.

We only made a couple of conces-

sions: we acquired two plastic rucksacks in the local market at 28.99 each. These proved excellent. We also took the Ordnance Survey Pathfinder 1:25,000 map of the area.

And we appropriated from our son a little compass we had once put in his Christmas stocking. This proved both useless and unnecessary.

As our D-Day approached, the forecasts grew worse and worse. Those cheerful TV futurologists promised thunderstorms and gales. Their maps were sodden with black clouds, lightning symbols and fat windy arrows. We decided to stay the night before at a nearby hotel so we could get cracking at dawn on Saturday. We did not want to find ourselves, alone and palely lotter-

**'We were sure we would be seized with cramp, blisters or heart attacks, whichever came soonest.'**

ing, soaked to the skin and lost on the Ridgeway on a Stygian December night.

For a change, the futurologists were spot on. We awoke to the pitter-patter of raindrops. Soon, the weather grew foul. And as the rains fell our tempers rose. I had imagined my wife would bring a waterproof for me. I had not, it must be admitted, gone so far as to mention this to her. After more than 30 years of marriage any spouse has a right to expect the other to be telepathic. Not a lot of spouses – and certainly not mine – seem to know that.

Finding waterproof livery in the villages of Wiltshire early on a wet Saturday morning is less easy than you may think, particularly if you are in a hurry.

But, eventually, we found an antiquated bicycle shop which sold me a yellow plastic oversuit, complete

with yellow plastic pixie hat, all for £7.99. Praying hard I would not meet anyone I knew, I shrouded myself in yellow plastic and pretended I was someone else.

The plan for the peregrination was simplicity itself. We were to walk round two semi-circles, each of 10 miles. The first semi-circle ended at Avebury, where we had booked into the cheerful Red Lion. The Red Lion advertises itself as the only B&B in the world surrounded by a Neolithic stone circle. That is undeniably, in the jargon of the advertising business, a unique selling proposition.

We dumped our car 10 miles away in Ogbourne St George and started to climb the Ridgeway to Barbury Castle. It was drenching weather and I blessed all the gods I could think of for providing my yellow pixie hat. Having not actually set out until nearly 11am, I set a brisk pace. Brisk for us, that is. Too brisk for us, in fact.

The torrential rain made it impossible to study the map, but after climbing for about an hour we were breathless and exhausted. My wife claimed we were going too fast. I insisted it was vital to keep going – we had barely started.

Five minutes later, close to Barbury Castle, we found shelter and studied the map. We had already covered more than three miles – almost a third of the journey. From then on we were confident it would be a doddle.

Barbury Castle is a huge iron age hill fort which crowns the Marlborough Downs. The area is stuffed with ancient tumuli and other earthworks, white horses, mounds, barrows and mysterious vertical stones. Nobody has the least idea why our ancestors built earthworks and vertical stones, but in this corner of Wiltshire it was clearly trendy for quite a while.

The weather threw one last driving gust of rain and sleet at us, then brightened.

Parking ourselves on a dryish knoll under a tree we demolished rolls and pâté. We had brought far too much: enough for several Neolithic armies. I had also brought an old hip flask filled with fine champagne cognac because I thought it would be improper behaviour to go

on a hike unflashed. By the time we arrived at the Red Lion, shortly after 4pm, I was rather emotional, though not especially tired.

The stone circle of Avebury is 4,500 years old, and one of the world's great prehistoric sites, but we were keener to study showering, eating and sleeping than prehistory. The innkeeper warned us that he set a burglar alarm between 12.30am and 7.00am, between which times we ought not to potter around his pub.

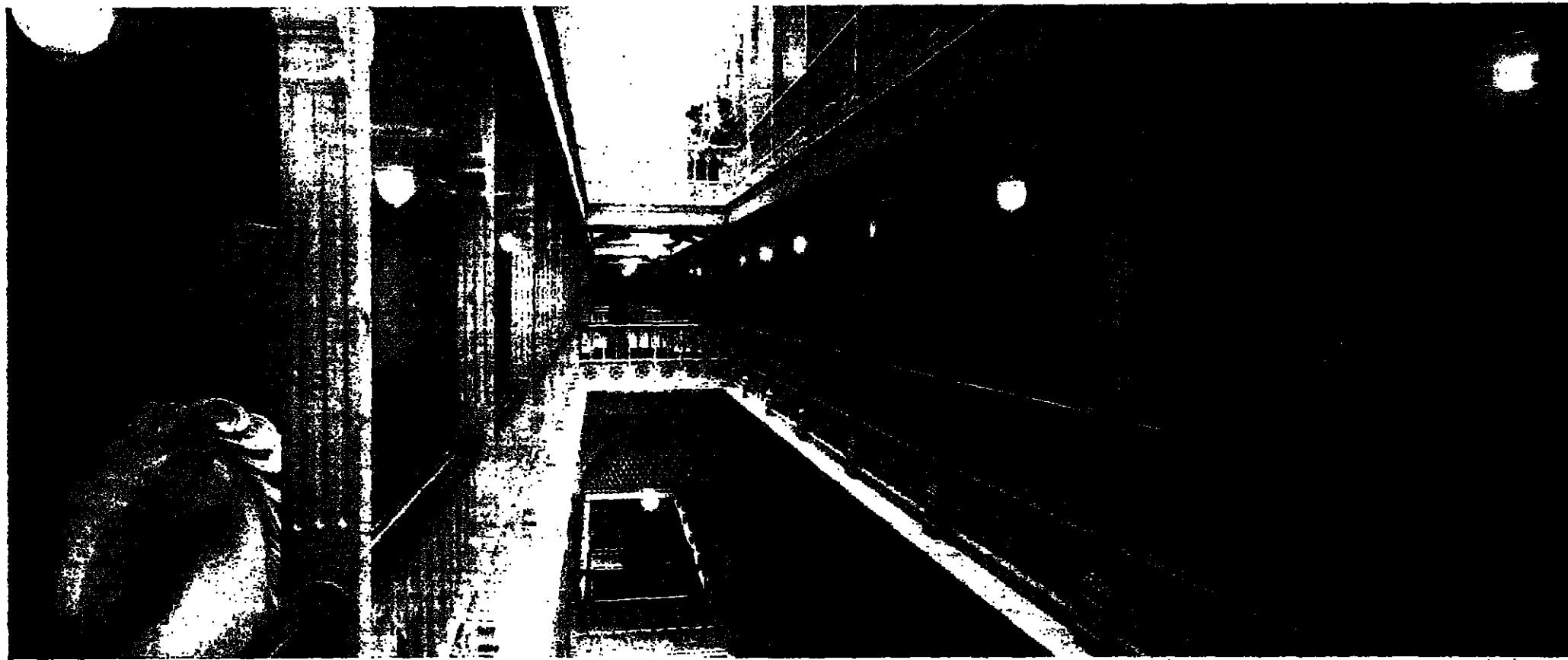
We assured him we rarely went pub-crawling in the middle of the night. Maybe not, he replied gloomily, but many guests like to dance around the Avebury Stones by moonlight. When we swore that moonlight stone dancing was not one of our hobbies he cheered up noticeably.

Might we awake stiff and immobile as the prehistoric stones, we worried? Not at all. The futurologists on our bedroom TV were still issuing dire warnings: thunder, thunder, gales and lightning. This time, wrong. Having devoured voraciously high-cholesterol breakfasts we launched ourselves into our second semi-circle.

Bliss was it in that day to be ambling across the Wiltshire downs. The December sky was palest blue; the sun warmed the light, crisp breeze; you could see the undulating countryside for miles in all directions. Birds squawked and hovered above us – being a townie I was too dim to recognise them – streams twinkled and tinkled, horse-riders opened gates for us. God was in his heaven and all was right with the world. As it turned out, we were blessed, weatherwise – but we should not have cared had it continued to pour all day.

When you have trudged 20 miles, you enter an aerobic, floating trance: a drugless high. So we were stupefied when, turning a woody corner, we found ourselves confronted by our own car. Naturally we were instantly suffused with an immense, unjustified, sense of achievement. Twenty miles, we had discovered, really is not far. Even for feeble fiftysomethings. And we had not needed lots of gear – not even the mobile phone.

*"We give you the heart of India with unequalled style."*



The vaulted corridors of the Old Wing, The Taj Mahal Hotel, Bombay

"Our intentions are delightfully transparent. Inspired by cultures past, we will surround you with myriad splendours, modern comforts and facilities without peer. We are quite unabashed in our desire to ensure that your stay will seem like a dream come true. Indulgent luxuries, the latest telecommunications, together with the finest dining in all the cities of India."

LUXURY HOTELS OF THE TAJ GROUP

THE TAJ GROUP. INDIA'S first. SOUTH ASIA'S finest.

TAJ LUXURY HOTELS: THE TAJ MAHAL HOTEL, BOMBAY; THE TAJ MAHAL HOTEL, NEW DELHI; TAJ PALACE HOTEL, NEW DELHI; TAJ BENGAL, CALCUTTA; TAJ COROMANDEL, MADRAS; THE TAJ WEST END, BANGALORE; TAJ SAMUDRA, COCHIN; THE TAJ MAHAL HOTEL, LUCKNOW (OPENING JAN. 95).

THE TAJ MAHAL HOTEL, BOMBAY FAX (91-22) 262 1111 OR CENTRAL BOOKING FAX (91-22) 263 7272. Utilise International OR YOUR TRAVEL PLANNER.



## INTERNATIONAL ARTS GUIDE

## What's on in the principal cities

## AMSTERDAM

**CONCERTS**  
Het Concertgebouw Tel: (020) 671 8345

■ Royal Concertgebouw Orchestra: conducted by Valeriy Gergiev plays Oestwolskaja and Shostakovich at 8.15pm; Jan 18, 19  
■ Royal Concertgebouw Orchestra: with soprano Inga Nielsen, and mezzo-soprano Elisabeth Laurence, Charles Dutoit conducts Lohengrin, Debussy, Stravinsky and Bartok at 8.15pm; Jan 14

**GALLERIES**  
Rijksmuseum Tel: (020) 673 21 21  
■ Art of Devotion 1500-1550: major winter exhibition focusing on the spiritual function of objects in the medieval period; to Feb 28 (Not Sun)  
■ Marbled, Chintz and Brocade Paper: an exhibition of decorated paper manufactured in and imported to the Low Countries in the 17th Century; to Feb 12  
■ Van Gogh Museum Tel: (020) 570 5200  
■ Odilon Redon: retrospective of the French artist's work with over 160 paintings, etchings and lithographs from public and private collections; to Jan 14

## OPERA/BALLET

Het Muziektheater Tel: (020) 551 89 22  
■ L'italiana in Algeri: by Rossini. Produced by Dario Fo, conducted Alberto Zedda at 8pm; Jan 15 (1.30pm), 17, 19

## BALTIMORE

**CONCERTS**  
Baltimore Symphony Orchestra Tel: (410) 783 8024

■ Baltimore Symphony Orchestra: with Guest conductor Jerzy Semkow plays Schubert, Mozart and Brahms at 8.15pm; Jan 14, 15 (3pm)  
■ Gershwin: Erich Kunzel conducts the Baltimore Symphony Orchestra and pianist Brian Ganz in an all Gershwin program at 8.15pm; Jan 19, 20, 21

**GALLERIES**  
Walters Art Gallery Tel: (410) 576 2417  
■ Gauguin and the School of Pont Aven; to Jan 15

## BARCELONA

**GALLERIES**  
Fundació "la Caixa" Tel: (93) 404 60 73

■ Kandinsky/Mondrian: Two Roads to Abstraction. Exhibition that marks the stylistic evolution of the two painters in their early phases; to Jan 22 (Not Mon)  
■ The Austrian Vision: a selection of 17 Austrian artists from three generations that represent the different models and main aesthetic positions adopted by Austrian artists over the last 20 years; to Jan 22  
■ Picasso's Early Works: 220 drawings and paintings from 1890-1912; to Feb 12 (Not Mon)

## BERLIN

**GALLERIES**  
Neue Nationalgalerie Tel: (030) 2662653

■ George Grosz, Berlin-New York exhibition of the German Dadaist who emigrated to the US; to Apr 17

## OPERA/BALLET

Deutsche Oper Tel: (030) 3 41 92 49  
■ Ballet Evening: conducted by Sebastian Lang-Lessing, Nacho Dutoit, Glen Tetley and Harris Manofourni choreograph works by Debussy, Poulenc and Stravinsky at 7pm; Jan 14 (8pm), 17, 19  
■ Der Fliegende Holländer: by Wagner. Conducted by Heinrich Holzeiser, production by Gustav Rudolf Sellner at 7.30pm; Jan 20  
■ Der Rosenkavalier: by Strauss. Conductor Jiji Kout, production by Götz Friedrich at 8pm; Jan 15  
■ Madame Butterfly: by Puccini. Conductor Sebastian Lang-Lessing, production by Pier Luigi Samaritani at 7pm; Jan 18, 21 (5pm)

## BRUSSELS

**CONCERTS**  
Philharmonique de Bruxelles Tel: (02) 507 84 34

■ Belgian National Orchestra: with violinist Philippe Hirshhorn and conductor Victor Liberman plays Elgar, Mendelssohn and Bartok at 8pm; Jan 17

## GALLERIES

Musée d'Artelias Tel: (02) 511 90 84  
■ Gainsborough to Ruskin: British landscape drawings and watercolours from the Pierpont Morgan Library in New York. Paintings by Constable, Turner and other 18th and 19th century artists; to Jan 15 (Not Mon)

## DUSSELDORF

**GALLERIES**  
Kunstmuseum Düsseldorf Tel: (0211) 8992460

■ Daniel-Henry Kahnweiler: a visual summary of the German curator's work with pieces by Gris, Braque, Léger, Klee and Picasso; to Mar 19

## FRANKFURT

**CONCERTS**  
Alte Oper Tel: (069) 1340 400

■ Frankfurt Opera House and Museum Orchestra: with violinist Irina Arditi, conducted by Sylvain Cambreling plays Haydn, Boissmans and Bartok; 8pm; Jan 16  
■ Württemberg Chamber Orchestra: conducted by Jörg Faerber



Paris - Belle Époque: an evocation of the period 1880-1910 in Munich to February 26

with pianists Martha Argerich and Alexandre Rabinovitch plays Bach, Schubert, Mozart and Haydn at 8pm; Jan 14

## GALLERIES

Solothurn Kunsthalle Tel: (069) 29 98 82 11

■ Asger Jorn - Retrospective: 167 works by the Danish painter. The fifth chapter in a series of presentations of postwar European art; to Feb 12  
■ Denis Stock - Photographs 1951-1971: retrospective of the photographer, who photographed some of Hollywood's most famous names; to Jan 15

## LONDON

**CONCERTS**  
Barbican Tel: (071) 638 8891

■ Brigitte Fassbaender: the mezzo-soprano with the Academy of London conducted by Richard Stamp plays Beethoven and Mahler at 7.30pm; Jan 16  
■ Fauré: Requiem: City of London Sinfonia conducted by Harry Christophers plays Fauré and Mozart at 7.30pm; Jan 20  
■ Popular Classics: with the London Concert Orchestra conducted by David Arnold. Highlights include Ravel's 'Bolero' and 'Strauss' 'Blue Danube Waltz' at 8pm; Jan 21  
■ Queen Elizabeth Hall Tel: (071) 928 8800  
■ Cantabile: four man vocal harmony group consisting of counter-tenor Morgan Crowley, tenors Paul Hull and Mark Fleming and baritone Michael Steffen performs songs of love and war at 7.45pm; Jan 17

■ David Golub: first in a new International Piano Series. The pianist plays Haydn, Brahms, Fauré and Schubert at 8pm; Jan 15  
■ Messiah: by Handel. James Gaddam conducts the London Orpheus Orchestra and the London Orpheus Choir at 7.30pm; Jan 15  
■ Mozart and his Contemporaries: London Mozart Players conducted by Howard Shelley at 7.45pm; Jan 18  
■ The London Philharmonic: conducted by Elgar Howarth plays Gabrieli, Stravinsky, Britten and Byrd/Horowitz at 7.45pm; Jan 16

## GALLERIES

Barbican Tel: (071) 638 8891  
■ Impressionism in Britain: the first comprehensive survey of the development of Impressionism in Britain. Over 200 works by over 100 artists, including Degas, Renoir, Pissarro and Whistler; from Jan 19 to May 7  
■ British Museum Tel: (071) 636 1555  
■ Ancient Egypt and Contemporary Art: 12 works commissioned by the museum alongside the existing collection of ancient Egyptian relics; to Jan 19

■ Byzantium: treasures of Byzantine art and culture from British collections; to Apr 23 (Not Sun)  
■ ICA Tel: (071) 930 3847  
■ The Institute of Cultural Anxiety: works of art and science by young British artists such as Angela Bulloch, Liam Gillick alongside works by more established artists such as Jeff Koons and Julian Opie; to Feb 12  
■ National Gallery Tel: (071) 639 3321  
■ The Young Michelangelo: small exhibition of the artist's early work. Part of the 'Making and Meaning' series; to Jan 15  
■ National Portrait Tel: (071) 306 0055  
■ Christina Rossetti: an exploration of the Victorian poet on the centenary of her death; to Feb 12

■ The Sitwells: the arts of the 20's and 30's through the eyes of the Sitwells; to Jan 22  
■ Royal Academy Tel: (071) 439 7438  
■ The Painted Page: Italian Renaissance Book Illustrations from 1450-1550; to Jan 22  
■ Victoria and Albert Tel: (071) 938 8500  
■ Kalighat: Indian popular painting 1800-1930. Rural folk art of Bengal; to Jan 15

■ Streetstyle: tribal dress codes from Harlem in the 40's to new age travellers in the 90's; to Feb 19  
■ Warworks: women photography and the art of war. A perspective of war through the eyes of international women artists; to Mar 19

## LOS ANGELES

**CONCERTS**  
Dorothy Chandler Pavilion

■ Peter Schreier: tenor sings the complete song cycle of Schubert's, 'Die Winterreise'. Keyboard artist Alexei Lubimov is Schreier's partner at 8pm; Jan 18  
■ Serkin and Stravinsky: Sir Simon Rattle conducts the Los Angeles Philharmonic and pianist Peter Serkin to play Stravinsky, Tippett and Bruckner at 8pm; Jan 14, 15 (2.30pm)

■ Nathalie Stutzmann: contralto and pianist Inger Södergren plays Schumann, Debussy and Tchaikovsky at 8.30pm; Jan 17  
■ National Orchestra of France: with violinist Sarah Chang and conductor Charles Dutoit plays Ravel, Lalo and Stravinsky at 8pm; Jan 19  
■ Soirée Beethoven: part of the 'Prades aux Champs Elysées' series featuring violinists Régis Pasquier and J-Jacques Kantorow at 8.30pm; Jan 20  
■ Soirée Brahms: part of the 'Prades aux Champs Elysées' series, featuring violinists Régis Pasquier and J-Jacques Kantorow at 8.30pm; Jan 18  
■ Soirée Mozart: part of the 'Prades aux Champs Elysées' featuring violinist Raphael Oleg at 8.30pm; Jan 21

## MADRID

**CONCERTS**  
Fundación Juan March Tel: (91) 435 48 40/435 42 40

■ Henry Purcell and Other English Composers: a series of concerts of works by English composers such as Purcell, Tallis and Gibbons at 7.30pm Jan 18

## GALLERIES

Mercado Puerta de Toledo Tel: (91) 366 7200

■ The Golden Age of Dolls: exhibition marking the 'Golden Age' of toy making (1840-1940), and its social impact. Over 800 exhibits; to Feb 24  
■ Reina Sofia Tel: (91) 468 30 02  
■ Salvador Dalí: the early years; to Jun 16

## MUNICH

**GALLERIES**  
Kunsthalle der Hypo-Kulturstiftung

■ Paris - Belle Époque: An evocation of the period from 1880 to 1910, with paintings, drawings, posters, photographs, glass and furniture; to Feb 26

## NEW YORK

**CONCERTS**  
Alice Tully Hall Tel: (212) 875 5050

■ Garrick Ohlsson: pianist, begins a six recital series covering the complete solo piano music of Chopin at 3pm; Jan 15  
■ Tavern on the Green Tel: (212) 873 3200  
■ Illinois Jacquet Big Band: jazz tenor saxophonist Jacquet with a 16 piece band; to Jan 15

## GALLERIES

Guggenheim

■ The Italian Metamorphosis 1943-1965: a survey of visual arts in the postwar period; to Jan 22  
■ Metropolitan  
■ Early Renaissance Florence: 100 panel paintings and manuscript illuminations by masters of the Gothic style; to Feb 26 (Not Mon)  
■ Thomas Eakins: exhibition honoring the 150th anniversary of the birth of the artist. This installation of about 30 works from the museums holdings explores the museums continuing interest in Eakins; to Feb 26

Museum of Modern Art Tel: (212) 708 9480

■ A Century of Artists' Books: Exhibition of 140 books from some of this century's foremost artists; to Jan 24  
■ Whitney Museum  
■ Franz Kline: Black and White 1950-61: major Abstract Expressionist works from the last decade of the artist's life; to Mar 12

## OPERA/BALLET

Lincoln Center Tel: (212) 721 6500

■ Heather Watts Final Performance: New York City Ballet Principle Dancer Heather Watts gives her last performance in George Balanchine's 'Bugie' and Peter Martins' 'Valse Triste' at 7pm; Jan 15  
■ Metropolitan Tel: (212) 382 6000  
■ Die Fledermaus: by J. Strauss. Sung in German with English dialogue at 8pm; Jan 14 (1.30pm), 18, 21  
■ L'Elisir d'Amore: by Donizetti. Produced by John Copely, conducted by Edoardo Guller at 8pm; Jan 14, 17, 21 (1.30pm)  
■ Le Nozze di Figaro: by Mozart. Produced by Jean-Pierre Ponnelle, conducted by James Levine at 8pm; Jan 16, 20  
■ Simon Boccanegra: by Verdi. A new production directed by Giancarlo del Monaco. James Levine conducts the opening night cast of Cheryl Studer, Plácido Domingo and Vladimir Chernov at 8pm; Jan 19

## THEATRE

Théâtre Tel: (212) 645 1242

■ Trafficking in Broken Hearts: by Edwin Sanchez, directed by Anna D. Shapovalov. Love story set in New York; to Jul 1

Mitzi E Newhouse Tel: (212) 239 6200

■ Hapgood: by Tom Stoppard. New York premiere of the play about the head of a UK government espionage agency. Directed by Jack O'Brien, and starring Stockard Channing at 8pm; (Not Mon)  
■ New York State Theater Tel: (212) 870 5570  
■ Slaves: Thinking About the Long Standing Problems of Virtue and Happiness. Tony Kushner's latest work directed by Lisa Peterson at 8pm; (Not Mon)  
■ Promenade Theatre Tel: (212) 239 6200  
■ Three Tall Women: Edward Albee's Pulitzer Prize winning drama about a 92 year old widow contemplating her life. Sun, 3pm, otherwise 8pm; (Not Mon)

Ridiculous Theatre Tel: (212) 691 2271

■ Camen: a not so serious production by the Ridiculous Theatrical Company. Sun 7pm, otherwise 8pm; to Jan 29 (Not Mon)  
■ Union Square Tel: (212) 307 4100  
■ Vita and Virginia: by Eileen Atkins. The relationship between Virginia Woolf, (played by Atkins) and Vita Sackville-West (played by Vanessa Redgrave). Zoe Caldwell directs at 8pm; (Not Mon)

■ Three Tall Women: Edward Albee's Pulitzer Prize winning drama about a 92 year old widow contemplating her life. Sun, 3pm, otherwise 8pm; (Not Mon)  
■ Rodgers and Hammerstein musical at 8pm; to Jan 15 (Not Mon)

## PARIS

**CONCERTS**  
Champs Elysées Tel: (1) 47 23 37

21/47 20 08 24

## CHESS

Britain's individual chess league, the Leigh Interests Grand Prix, has been running for 21 years and gives players at all levels a chance for national honours.

The Leigh circuit, sponsored by a Walsall-based waste management company, has divisions for masters, women, juniors, and ordinary players. High scores in tournaments, which can be just local one-day congresses, qualify for weekly league tables displayed.

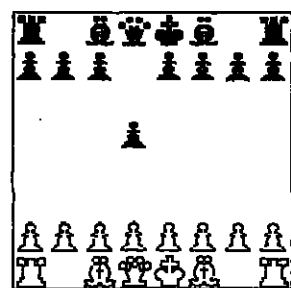
For details, contact the BCF at 9a Grand Parade, Hastings TN38 0UD (0424-42500).

The Leicester GM Mark Hebden won the 1994 Grand Prix, and £3,000, after finishing first in 13 tournaments. His odyssey took him from Aberdeen to Islington, where he sacrificed three pieces for checkmate (C Costello, White; M Hebden, Black; Islington 1994).

1 c4 e5 2 Nc3 Bc4 3 Nf3 Bxc3 4 bxc3 d6 5 g3 c5 6 d3 f5 7 Bg2 Ne7 8 0-0 0-0 9 Ne1 Nbc6 10 Nc2 f4 11 d4 Bb5 12 e4 Bc8 13 gxf4 exf4 14 Bb3 Bb3 15 Re1 Ng6 16 Kh1 Qb4 17 Re2 Rb6 18 Bb1 Ng6! 19 dxe5 Nxe5 20 Rxf7 Nxf3 21 Ne1 Bxg2+! 22 Kxg2 Qxh2+ 23 Kxf3 Qh3 mate.

Harry Golombek, three times British champion, arbitrer in six world title matches, and one of the game's best writers,

died on January 7, aged 83. His books included a primer which sold 200,000 copies. He was chess correspondent of The Times for more than 40 years. His courteous objectivity made him a natural referee for great tournaments and matches. In 1966 he was the first person to receive the OBE for services to chess. A witty, cosmopolitan and relaxed man, he will be widely missed.



No 1057

All four knights have disappeared from the board. Two puzzles: (a) can you recreate the five-move game which reached this position? (b) Place a black N at b5 and a white N at a1, and reach the new position by a four-move game.

Solution Page XIII

Leonard Barden

## BRIDGE

Here are the answers to the bridge quiz:

Question 1.  
West deals  
W N E S  
- - - 10 -

You hold:  
♠ A J 10; ♥ K Q;  
♦ 10 8 4 3; ♣ 9 5 4 3.

What do you bid?  
a. 1 ♠; b. 1 NT; c. 2 ♣; d. 2 NT

Answer: 2NT  
Question 2.  
East Deals  
E S W N  
14 -

You hold:  
♠ A K J 6 2  
♥ A Q J 5 4; ♦ K 3; ♣ 4.

What do you bid?  
a. 1 ♠; b. 1 ♠; c. 2 ♣; d. 2 ♠.

Answer: 1♠  
Question 3.  
East Deals  
E S W N  
20 - 40 -

4NT -  
You hold:  
♠ K 8 4; ♥ K 8 8 6  
♦ 7 3; ♣ K 6 5 2.

What do you bid?  
a. 5 ♠; b. 5 ♣; c. 5 ♠; d. 6 ♣.

Answer: Five spades.

Question 4.  
N E S W  
14 - 14 -  
34 - 3NT -

You hold:  
♠ Q 10 3 2; ♥ K 6 2  
♦ A 7 4; ♣ J 10 2.

What do you lead?  
a. ♠ 2; b. ♠ J; c. ♣ 2; d. ♣ K.

Answer: King of hearts.

This lead, from actual play, defeated the contract. It removed the entry for the diamonds.

There were 268 entries. Of these six were correct. The first name drawn was P. B. Tata of London, who won the Pro Bridge 510. The runners-up were M. Bird, Cheltenham, Mrs Watkins, West Drayton, J. Mockford, Oxley, Patricia Lawton, Purley, and F.P. Wolff of Bluebury.

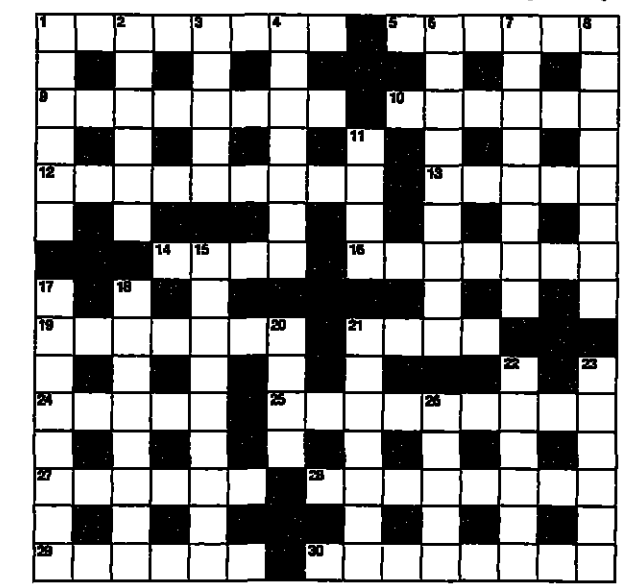
Thanks to Computer Specialists for the computer and to The Bridge Book Service for checking entries and for supplying copies of my Bridge Play Technique as prizes.

E.P.C. Cotter

## CROSSWORD

No. 8,660 Set by DINMUTZ

A prize of a classic Pelikan Souverain 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runners-up prizes of £35 Pelikan vouchers. Solutions by Wednesday January 25, marked Crossword 8,660 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday January 28.



Name: \_\_\_\_\_  
Address: \_\_\_\_\_

**ACROSS**  
1 Text to be noted? (6)  
5 Saws, these days, take a very long time (6)  
9 Resort right now vandalised (6)  
10 Plague without National Insurance is no longer the custom (6)  
12 Being so wicked, I fare badly in common sense (9)  
13 American vegetable, a bit of a minor achievement (6)  
14 March the first, everybody on road to palace (4)  
16 Stroke, perhaps, a Roman's trouble? (7)  
19 Dishonoured cheque from a club employee (7)  
21 General kennelmen opening in Midland town (4)  
22 Nurses finish in extremes of tiredness (5)  
25, 27 Jetstream travellers who play football (8,6)  
26 Hants map turns out to be not the real thing... (8)  
29 ...appearing so jorally, without cheerleaders (6)  
30 Surgeons' assistants with their backs to the wall? (8)  
Solution 8,669

**DOWN**  
1 Like Kier's herd, long overdue (6)  
2 Destitute fellow in felt cap (6)  
3 Doctor's number three, possibly (5)  
4 Wasp-like material can disappear (7)  
6 Talk of modern dance sure to confuse (9)  
7 He may be found in a nick in a sharp rock-pinnacle in the French Alps (6)  
8 Getting in a state to identify obsession (8)  
11 Go slow endlessly in capital (4)  
16 Like our forebears from Lancaster? (9)  
17 Having to cleanse tar, greets new product (8)  
18 Pastry business (8)  
20 Gown displaying Richard's first decoration (4)  
21 Hide the real outcome (7)  
22 Benevolent guy in shade (6)  
23 Pithy sayings of big fellows in Europe? (6)  
26 Two books of sovereigns (5)

Solution 8,648

STOUCHING GREY  
H U E H A T U D  
KITOL GRAVATED  
E S E P E E R  
REPUBLICAN ERSE  
H E R E S E R  
OPERATE ENIGMAS  
T A V R O E  
H A D D O C K C H A L L I S  
E R I R P I  
REPT ANTHETIC  
A E C H A L U  
IRONCROSS AIDE  
S R E S O P R E  
E N D E N E S C E N T  
GOVERN EPHEMER  
H E U E U O C  
O G R E S S I A R L E S S  
I A H B R A N I  
R U N N E R U P A S S A I L  
A E C H A L U  
O M A T K A V I A M  
Y H I E N P A  
H O E D I E N R A I L  
S O N O A N T  
T O G A O A Y O N I S H  
A E C H A L U  
T E R A C E S M I T T I  
I O S N C A S  
C O M F E T T I H E A R T

WINNERS 8,648: Elizabeth Riddell, Farnham Common, Bucks; J.C. Burt, Heston, Middlesex; Dr. E.M. Calman, London SW4; W. Cook, Burnley, Lancs; Mrs L.M. Philpott, Shepherdswood, Kent; Mrs J. Sturges, Robeston, Dyfed.





Peter Aspdon

## Feel-good and the age of psycho-babble

Is it significant that the language of politics today is borrowed from yesterday's pushers and pimps?

Now let me get this straight: despite the fact that several economic indicators are pointing in roughly the right direction, the British people are fed up. This is called the absence of a feel-good factor. The Opposition is planning to take advantage of the absence of a feel-good factor by promising a number of nice things, but it must not be too radical because of the fear factor. The fear factor is the apprehension that people who feel bad do not believe you when you say you will make them feel good because you might make them feel

even worse by taxing 80 per cent of their salary. In a bid to make a quite different group of people feel better. Clear?

Thus is the battle for the hearts and minds of the British electorate being conducted in the kind of psycho-babble which would bring a flush of embarrassment to a Californian health club party. "Feel-good" is becoming a respected term of political analysis, while tangible things such as lost jobs and the long-term decline of manufacturing industry - what one might call the factory factor - scarcely get a look in.

Where does the new psycho-politics come from? Those of us who passed their teenage years in the 1970s remember a rock group called Doctor Feelgood, whose name reputedly came from the street-slang for a drug supplier. Well, times change, but can it really be the case that today's political lexicon borrows so indiscriminately from yesterday's pushers and pimps?

Perhaps the politicians are shrewder than we think. The urge to feel good, and make others feel good, is ubiquitous in British society, from the hippy-trippy acid

raves of youth culture to the more staid frenzy of *Noel's House Party* and the national lottery. It is a valorisation of mass hysteria, founded on the hope that if you shout and scream for long enough, you will not notice the creeping silence all around.

Now I would have no objection if this heralded some kind of return to the Dionysian values of personal liberation and cultural anarchy, a joyous snub to the strictures of the rational state. We cannot spend our whole lives reading Jane Austen and listening to Mozart; modernity demands a more robust response.

And besides, it can be very bracing, zapping and hacking your way through the technological thicket of the three-minute culture, making your own TV programmes, breaking into "toolproof" computer networks, occasionally launching a couple of cruise missiles by mistake, making the point that we cannot, no matter how sophisticated the apparatus of government becomes, ever be controlled.

Sadly, that is not what is meant by the feel-good factor. The kind of delirium one detects in television studio audiences is more often than not directed towards the winning of

a new vacuum cleaner, or lawn mower, or even £18m. The "Didn't they do well?" of our most enduring quiz show has become a clarion call for a society swollen with greed. "Didn't they do well?" "Don't they feel good?" "Don't you feel good for them?" And yet, there is a serious point here. Many examinations of the absence of the feel-good factor in British politics centre on "stagnant" house prices and "minimal" pay rises; in other words, a quick injection of inflation, and the champagne corks would be popping again. Eventually, even the most sensible government will relent:

give them what they want and we win the next election.

The trouble is, a lot of other, less wholesome things, also make people feel good: florid speeches, rude remarks about foreigners, hanging nuns, even the odd invasion or convenient little war. It is a dangerous game to play.

I preferred the days when Doctor Feelgood dispensed hallucinogenics on dingy street corners rather than county platitudes from the soapbox or home entertainment centres from the conveyor belt. It is, after all, important for every bad trip to have an end.

James Morgan thinks the bourgeoisie is witnessing its own demise as the great employers become the unemployed

Something is happening to the middle classes. All over the developed world, they feel it as a vague presentiment, a *fin de siècle* disenchantment with politics, with economic recovery that is passing them by, or even as the sharp stab of unemployment.

Yet they seem prosperous enough and few of them could explain what, if anything, they fear. That thought struck me forcibly on our last family holiday in a French country hotel. The guests were a contented lot in spite of the fearsome mirrors to society held up by the newspapers they were reading. Plump couples consumed a bottle of Veuve Clicquot as an aperitif to the £120 menu, washed down with a decent claret.

They would depart the next day in their Peugeots and Passats for another round of restrained hedonism or to homes in Brussels or Bern. At no time in the past two centuries has this class of European seemed more secure. It is the master of the one available model of society. It is not threatened by servile revolt, working-class rage or alternative ideology. Government bonds yield real returns.

It is the greatest beneficiary of the modern welfare state. The bourgeoisie claims the allegiance and even, perhaps, the membership of the majority. The one shadow of violence that menaces this supposedly secure existence comes from the traditional horizon. Exotic Balkan tribes fight murderous battles before an uncomprehending audience, torn between apathy and outrage, sympathy and contempt.

The great western middle class is worried sick. It is witnessing its own demise: the collapse of socialism has coincided with the advance of a new proletariat.

It is not just that the bourgeoisie faces an up-market version of what used to be known as the Social Question. Millions are unemployed, prosperous families are touched by the west European scourge. The supposed victory of the bourgeoisie over the Marxist rebellion is accompanied by a plunge into a half-understood crisis of insecurity.

The middle class, not only in Europe, suffers what at one time were considered the problems of only the poorest. The problems of the least privileged are shared by those who felt their social position had guaranteed their immunity.

Those who feel they are victims of this turn of events recognise something has changed. The job machines of the 20th century have ceased to function normally. The great employers become the great unemployed. The headlines tell the same story day after day: thousands of jobs lost at IBM, BP, BT, Siemens and so on. These "job-givers", as the Germans call them, cannot keep on their payrolls those trained for jobs that may not be needed in a couple of years.

There is the parallel growth of the short-term contract, most strongly in countries such as France and Spain where labour rules are unusually rigid. The numbers on temporary contracts there rose up to six times in the six years after 1985. This leads to a ferocious scepticism among those who once were employed as members of a team or working group.

Early this century, a revolt against modernity was founded on the loss of individuality. Political and artistic movements, fascism and futurism, gave voice to those who felt dominated by a society over which they had no control, and which appeared to offer only systematic poverty.

As Max Weber wrote when discussing what he called the modern economic order, 90 years ago: "This order is now bound to the technical and economic condition of machine production which today



## A nightmare for the middle-classes

determines the lives of all the individuals who are born into this mechanism... Perhaps it will determine them until the last ton of fossilised coal is burnt."

Weber thought slavery to the machine was mankind's destiny. But it has gone and with it reviled uniformity, now replaced by a desperate individualism. Its passing is also destroying the uniformity on which middle-class prosperity was based: the executive ladder of the modern corporation; the job-for-life guaranteed by the acquisition of a professional qualification in one's 20s or by the civil service exam. So the word which provided the foundation of middle-class prosperity, "career", is becoming as meaningless as it was for a journeyman labourer in past centuries.

Some analysts perceive a bleak future of diminishing stock-market returns, rising crime and a rapidly deteriorating physical and social environment in a deconstructed society. But these are symptoms, not the root cause of the present malaise. Bourgeois insecurity today is founded not on tangible external enemies but on the awareness that the wheel of fortune can roll over Wimbledon, Neully or Bad Godesberg as it once trampled the slums of the great cities.

Today, the dominant reality is that of an unpredictable, post-industrial world. A crude manifestation is seen in those countries where this process is most developed, the US and Britain. There the numbers counted as self-employed, outside farming, jumped by 75 per cent and 50 per cent respectively in the late 1980s. In the US, temporary employment has almost trebled between 1985 and 1994.

And with this trend goes gentle impoverishment. Since the present US recovery started in 1981, median family income has fallen each year, down from \$38,129 in 1991

to \$36,569 in 1993. Few believe their children will be richer than themselves.

The working life of the middle class is not that which provided this century's cultural underpinnings. Galsworthy, Ibsen, Thomas Mann and Sinclair Lewis would be hard put to find a suitable archetypal figure for this age.

But he exists. Today's new "middle-class" man lives from hand to mouth, finding casual work where he can, unprotected by any trade union, randomly supported by social welfare nets. The contemporary

Today, upmarket newspapers devote pages to rock music trash. Dame Kiri sings The Beatles.

archetype is the redundant executive. He sets himself up as a "consultant", working on a casual basis for the company that laid him off and finding scraps of work elsewhere. He is the contemporary counterpart of the farm labourer, expelled from his tied cottage, but hiring himself out to his former employer at harvest time. He has no vocation, he is "multiskilled". He is the middle-class odd-job man, the golf-club proletarian.

"Multiskilling" is shorthand for the rise of the executive handyman. He assumes tasks once left to minions, just one more aspect of the systematic proletarianisation of the middle class. When the one-time manager becomes "self-employed", his certainties and status disappear, and he is cast back on his own resources. Like his

company he has been "delayed", the traditional layers of protection have gone.

Meanwhile, his son, graduate and finds work in a fast-food outlet. His wife sets up a computer-typing agency while the daughter travels to America in search of work. The words "he" and "she" can be interchanged in this situation, for gender stereotyping is disappearing in the creation of the new class of labourers.

Stereotyping was perfected by the triumph of the bourgeoisie but we are now returning to the standards of the lower classes of former centuries. That is why modern feminism is usually characterised by aggressively proletarian modes of speech and dress.

There are attempts to halt this trend - the anachronistic Social Chapter of the Maastricht Treaty is the most obvious. That is geared to the concept of a unified workforce, working under traditional conditions, with powerful trade unions ensuring compliance. This approach to the labour market bears no relationship to the emerging reality of the workplace. It is a last bureaucratic spasm in the face of the disintegration of the labour force.

So, contrary to the clichés of the pollsters, the proletariat is not being assumed into the middle class. What is happening is the opposite: the bourgeoisie is becoming working class. It is not, however, the Marxian proletarian that is making a triumphant return to the centre of the social stage but rather the pre-industrial worker, seeking casual labour where he might.

He is loaded with skills unimagined by his ancestors, and poverty is rarely an immediate prospect. But that is because once he finds work, like his ancestor, there is a need to construct firm defences against an unpredictable universe and to take refuge in a private world. The threat comes not from any external source but

doing that is by increasing the supply.

Again it is France, surprisingly, that is experiencing some of the most radical change. The Labour Ministry there found last year that 44 per cent of executives were now setting their own hours of work, up from 36 per cent in 1984. The proportion of the workforce having to work at week-ends is rising and all those who are choosing their own working hours are working longer hours. There has been a sharp increase in the number of executives working 10 hours a day or more.

It is the dominance of work that marks out our age. Nearly 100 years ago, Thorstein Veblen wrote the definitive social study of the industrial society, *The Theory of the Leisure Class*, in which he showed that it was the rejection of work that distinguished the upper class. "So much so that there are very few of the better class who are not possessed of an instinctive repugnance for the vulgar forms of labor."

Should one, however, visit an English slum today, one will find a couple in well-used jeans and sweaters, gender differentiated by hand-drill and paintpot. The arrival of guests may signal a brief respite from the heavy schedule but they are soon incorporated in a world where a lack of leisure is the dominant feature.

No class, however mooded, enjoys much peace, as homes become workplaces, second homes demand eternal attention and yachts require caulking or scraping. Thus we accept that familiar oxymoron, "the leisure industry", which has driven out the leisure class.

This industry is a consequence of the new riskiness of middle-class life. An apparently secure and prosperous group feels the need to construct firm defences against an unpredictable universe and to take refuge in a private world. The threat comes not from any external source but

from the very system the middle class has constructed and is supposed to control.

Lack of control over vast segments of its existence is the mark of the lower classes of any epoch. To compensate, it eventually adopted a collectivist solution through the creation of trade unions to claw back power. But today's middle class is too atomised in its post-industrial society to feel solidarity; collectivism hardly exists outside some rudimentary networking and ad hoc environmental action.

A reflection of this general proletarianisation is evident in that whole area roughly defined by style, fashion and culture. For centuries, "popular culture" represented an accessible version of high culture and was organically related to it. Today the situation is inverted: popular culture sets the tone for a vast range of artistic activity. Fashion and music are already totally proletarianised; elegance and harmony are rounded up in cultural conservation areas. Upmarket newspapers devote pages to rock music trash. Dame Kiri sings The Beatles.

The bourgeois journeyman is sinking back into a kind of near-literacy. But he has tools which ensure, almost, that it hardly matters. He can grunt out his messages on a fax machine, a computer will spellcheck his more egregious errors. He may become rich. He does not aim to become a "gentleman", and would be embarrassed to be so called. He is again a casual labourer, selling his skills to whomsoever has an immediate need for them. No promotion is possible and self-improvement comes in scavenging for opportunities and hitting on new technical skills. But he will dominate society, and the dictatorship of the new proletariat will have finally arrived.

James Morgan is economics correspondent of the BBC World Service.

So long as Prince Charles is heir to the throne, he cannot possibly marry Camilla Parker Bowles. It is out of the question. Speculation ends here. It may, of course, be a matter of huge indifference, but the fact remains.

It is conceivable that he might be able to marry someone else, but definitely not her, whether he wants to or not. That categorical statement requires some justification.

In 1936, the then King darted hither and thither, seeking a way in which he could marry Mrs Simpson and retain the crown. He failed, defeated by the combined pressure of the prime minister and the Archbishop of Canterbury.

But in 1936, clergy of the Church of England were obliged in law to re-marry divorced people in church. They were only granted exemption from this obligation by a special clause in the Divorce Reform Act of 1937. For the King to marry Mrs Simpson was held to be deeply subversive of the Church's teaching about marriage, because divorce was then considered a scandal; but

it did not subvert the Church's rules. There were none.

The regulations under which the Church currently operates were passed in 1933, partly in response to the crisis. The door was bolted after the horse had removed himself to a private stable.

Those regulations state unequivocally that the marriage service should not be used a second time for anyone who has a former partner still living.

Individual clergy are free, as legal registrars, to marry divorced people in church, and an increasing number of them do so; but they act with what Helen Oppenheimer has called "freelance compassion". The primary regulations of the Church forbid this.

Prince Charles, as heir to the

throne, cannot act as a private individual and go quietly to a Registry Office, or to the Methodists, as many Anglicans do.

He can only marry with the sovereign's permission, and she, as Supreme Governor of the Church of England, could not give her permission for him to marry in England. She is bound to act in accordance with the Church's regulations.

To marry, he requires a Special Licence from the Archbishop of Canterbury, and the Archbishop will not issue his licence to anyone who is divorced and has a former partner still living; and as a

divorced person himself, Prince Charles would not be granted a licence. At the moment, therefore, he could not marry anyone in the Church of England.

Truth of the Matter

## Remarriage? Forget it, Charles

Philip Crowe explains why the prince would have to choose between Camilla and the crown

It is, of course, possible that the Church of England will change its mind. Last November there was a debate on this matter in the Church's General Synod, and by an almost unanimous vote, the bishops were asked to look at this again.

By coincidence, the House of Bishops was discussing this very subject on the morning that Mr and Mrs Parker Bowles announced their impending divorce. But the bishops are exceedingly conservative at the moment.

There is no one of any stature who can argue the case for change, and they are demanding that to preserve their own unity (collegiality, they call it) at almost any cost. This compels them to go at the pace of the slowest, and in the Church of

England, that is slow indeed. They have already made it clear that change is unlikely for many years.

A better hope for Prince Charles is that the Princess of Wales will do herself a fatal mischief on one of those confounded exercise machines to which she is so addicted. He would then no longer have a former partner still living.

But it is doubtful whether even he would wish that on her.

If he wants to marry again before the Church of England changes its rules, then his only way would be to shake the dust of the Church of England from his feet, and marry in the Church of Scotland, which has different rules. That might pose a problem in his relationship with the Church of England, but nothing more serious than a few episcopal

frowns. It would pose no threat to his coronation.

It would be an entirely different matter if he chose to marry the person widely described as "the love of his life". Regardless of public opinion, he could not marry her at all without jeopardising his right to succeed to the throne, not even if the Church changes its rules.

There is wide agreement in the Church of England that there is one circumstance in which divorced people cannot be married in church: that is, if the relationship of the two people wanting to get married was a significant factor in the break-up of the previous marriage.

For the Church to marry divorced people in such circumstances would

be to condone adultery. There are indications, to put it at its lowest, that the relationship between Prince Charles and Mrs Parker Bowles was a significant factor in the break-up of both their previous marriages.

So if Prince Charles wanted to marry her, the Archbishop of Canterbury would be involved in some interesting conversations with him. The most likely result of those conversations would be the great embarrassment, to both parties, of a refusal.

And if Prince Charles married her in Scotland, or anywhere else for that matter, the Archbishop would be bound to raise serious questions about his coronation. With the monarchy in its present fragile state, no heir to the throne could afford to take that risk.

Hence the categorical statement, that the Prince cannot, under any circumstances, marry Mrs Parker Bowles and remain heir to the throne.

After all that, he might well agree with a tired remark of Socrates, that "whether a man marries or not, he will live to regret it".